

OCTOBER 3, 1931

OCT 5 - 1931

The Weekly Magazine for  
**MARKETING EXECUTIVES**

# **SALES** *management*

**How 475 Companies  
Are Adjusting Compensation for Salesmen . .**

**Viscose Finds a Plan  
for Selling Quality  
instead of Price . . .**

**Builds Million Dollar  
Hosiery Business in  
One Year by Mail . .**

TWENTY CENTS

# Who Buys It★ NOW?

★ Your Soup  
Your Shaving Cream  
Your Rugs

What would you give for the combined knowledge of 589 grocery chain store executives and their forecast of future sales?

COSMOPOLITAN asked these men, who buy and sell food products into the hundreds of millions, *where they expected to sell quality packaged goods in the next year.*

They have told us, and their report is yours for the asking—

*Where they expect to sell high quality coffee*

*Where to look for canned fruit sales*

*Who's going to bake at home*

*Who eats salads*

*Where packaged cereals go*

Write today for your copy of this remarkable forecast of future sales conditions in the food industry. Equally noteworthy is the fact that COSMOPOLITAN circulation and quality grocery sales are both heavy in high grade neighborhoods.

*Hearst's International*  
*combined with*  
**Cosmopolitan**

57th Street and Eighth Avenue, New York

**The Class Magazine with 1,700,000 Circulation**

# A Constant Link

between the four corners of the earth  
and Chicago's family circle



The great newspaper recognizes the whole world as its source of news. The financial readjustment of Europe may open new opportunities, or a commodity boycott in India may shrivel old trade sources—the communities of our modern world are economically so interdependent that Chicago should hear of it at once—should know today what is happening in Shanghai and Sydney, Berlin and Buenos Aires. For this reason *The Chicago Daily News* has staff correspondents stationed in all the important news centers of the earth. And when Europe's day is done, *The Daily News* brings the full report of events to Chicago—by midday!

Because Chicago's interests embrace the whole range of human activities and extend to the ends of the earth, *The Daily News* sets no limits to its sources of news.

But in service and circulation, *The Daily News* concentrates on Chicago. Because of the faithful performance of its mission, business Chicago looks upon *The Daily News* as courier

and scout, and Chicago's family circle accepts it as counselor and guide. More than 400,000 families, of a type which has the means and inclination to buy the things it wants, comprise *The Daily News* circle. It is a circle which, by daily habit, is interested in news from everywhere—and looks to *The Daily News* for it!

Advertisers recognize this by placing more advertising in *The Daily News* than in any other Chicago daily newspaper.

Today's news and today's opportunities demand today's voice—in Chicago, that voice is *The Daily News*!

## THE CHICAGO DAILY NEWS

### CHICAGO'S HOME NEWSPAPER

One of a series of advertisements appearing in metropolitan newspapers

Published every Saturday and copyrighted by SALES MANAGEMENT, INC., 420 Lexington Ave., New York, N. Y. Subscription price, \$4.00 a year in advance. Entered as second-class matter June 1, 1928, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Volume XXVIII, No. 1.





## POPULAR GIFTS

**F**OR years our magnifiers have won appreciation and goodwill for the firms who pass them out as advertising novelties. Their popularity continues unabated—probably on account of the superiority of Bausch & Lomb quality.

The long item, above, is the Magnirule—combined magnifier, paper cutter and rule with inch and millimeter scales. Of mottled or plain sylvanite, carrying your message in gold or colors. The lens magnifies 5 times—excellent for examining hundreds of raw materials, and treasured by recipients for years. Not expensive.

### For Big Executives

These are times when you want to give influential buyers a superbly extraordinary remembrance. Desk reading glasses, with gold mountings, are useful. A clever variation is our Magni-maid—combined paper weight and reading glass, mounted with a modeled female figure in classic pose.

A truly lavish gift is a pair of Sport Glasses, in leather case, of Bausch & Lomb fineness. Several dollars each—but what an impression they make! Write for quotations.

# BAUSCH & LOMB

OPTICAL COMPANY

746 St. Paul St., Rochester, N. Y.

# Survey of Surveys

BY WALTER MANN

## College Statistics a la Erwin, Wasey

"To measure the buying power and to determine the brand preferences of that large and influential group of young people that constitute the membership of the country's colleges and universities" is the stated purpose of an eighty-eight-page report just released by the research department of Erwin, Wasey & Company, of Chicago, New York, Pacific Coast and all points north, south, east and west.



Blank-Stoller, Inc.  
Walter Mann

And a comprehensive report it is—covering the results of their study of the buying potentialities and brand preferences of this ever-old yet ever-new market. All sorts of products from automobiles to wrist watches, from gloves to underwear, are mentioned in this eight and one-half by eleven inch paper-covered report.

"Representing as they do—the highest type of American family," says the report, "college students comprise a market of major importance in itself, and in addition, because of their very active interest in the purchases of their families, exert a secondary influence of vast importance."

To those who have not given it serious study, the size and extent as well as the potential importance of this market is nothing short of stupendous. First we have the young men and women themselves, over a million of them (620,618 boys and 581,526 girls) whose habits are just being formed (often for life), in that brief four-year period which is known as their college days. Second, we have their influence on the group of scholastic enthusiasts who are now in their most emulative stage, i.e., the high school and prep school group, a group which is at least three times as great as those who actually go to college. Third, we have their influence on their parents, not a small factor by the way, in the selection of everything they buy, from the breakfast foods they eat to the kind of automobile the old man buys. And, fourth, that large outside group of educationless yet spendful working class boys and girls who are known as "collegiate." With all of these groups the influence of the college student is exceptional.

Those of S. O. S.'s readers who can go way back to, let us say, 1906 may remember as he does, the way they themselves as high school "men" scrimped and saved to get a pair of Stetson ball-strap shoes to go with their leather-cuffed, corduroy, peg-top trousers, despite much ridicule by parents, et al. They may recall, with S. O. S., the impassioned pleas for everything from a briar pipe to a motor car which issued from their lips to what ap-

peared sometimes to be an adamant parent, who was really only comparatively so. In short, they may recall what pests they were to their own parents, and how often, rather than (as it appeared then), how seldom, their requests were granted. Impressionable, style conscious, positive in their views, the college student, both male and female, is certainly an influence to be reckoned with!

In the Erwin, Wasey study carefully tested questionnaires were given (in the main) to instructors in advertising and marketing in most of the twenty-one typical American colleges included in this study. Eight eastern, five east-central, two west-central, two southern, two southwestern and three western colleges were chosen (names not given) and a total of 2,638 completed questionnaires were secured by them from their respective students, 1,789 from men students and 849 from women students.

The men's questionnaire asked (in Section 1) what brands of suits, overcoats, etc., were owned or bought regularly, the number that each had in his regular wardrobe, the average cost per unit and the total number purchased annually. This information was secured on suits, topcoats, overcoats, shoes, hats, shirts, collars, ties, hosiery, gloves, sweaters, garters, suspenders, belts, swimming suits, pajamas, underwear. The percentage of responders who used the article in question was then divided into the total number of male or female college attendants, which netted the presumed number of college users. The average expenditure per student for a given product was then multiplied into the number of users, which gave for each classification the total estimated annual expenditure for men or women students (or for both) for that particular product.

Group 2 products were classed as toiletries and miscellaneous. For these it was ascertained which brands were usually bought, and the estimated annual average monthly expenditure for these products. Included in this list were cigarettes, cigars (a surprising percentage of college men said they smoked them), ginger ale (that essential to a college education), razor blades, shaving cream, shaving lotion, tooth paste, mouth wash, tooth brushes, toilet soap, talcum powder, bath soap, hair tonic, ink, liniment, box candy, chewing gum, candy bars.

Group 3 products were classed as equipment, and included tennis rackets, golf clubs, golf bags, ice skates, fishing tackle, outboard motors, trunks, traveling bags, typewriter, fountain pen, mechanical pencil, pocket watch, wrist watch, alarm clock (believe it or not, they still use 'em), cigarette lighter, pipe, regular camera (how about movie camera?), razor, basketball shoes, tennis shoes.

Get a peek at this survey if you are interested in a million booster market, influencing many more millions. Address Market Research Department, Erwin, Wasey & Company, 230 North Michigan avenue, Chicago.



## What's New

¶ This week SALES MANAGEMENT begins to report the findings of a nation-wide survey just completed on the subject of current changes being made in salesmen's compensation arrangements. The first article summarizes the general conclusions. Subsequent articles will detail specific information about individual companies. Page 12.

¶ An unusually effective plan for combating price competition has been worked out by The Viscose Company of New York. Details will be found in an article on page 15.

¶ Next week: Another article in C. E. Knoepfel's series on "Profit Clinics and How to Hold Them." Coming soon: An article on a soft drink concern that refused to cut prices but was still able to turn capital eighteen times last year.

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Published by Sales Management, Inc.,  
420 Lexington Avenue, New York,  
Telephone: Mohawk 4-1760; Chicago,  
333 North Michigan Avenue, Tele-  
phone: State 1266; Washington Bu-  
reau, 1099 National Press Building,  
Telephone: Metropolitan 3659. Sub-  
scription price, \$4.00 a year, including  
annual Markets and Media Reference  
number; Canada, \$6.50.

# Sales Management

Vol. XXVIII. No. 1

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# “COVERAGE” DOESN'T LISTEN



“Station coverage” is one thing; “audience” is something else. It is, at least, if you are talking to a representative of Westinghouse Radio Stations. And the difference is not a mere “distinction;” it’s a difference amounting to thousands of radio contacts per night in the case of almost any station you want to talk about.

**COVERAGE** (as we use it) means just this: The number of receiving sets reached by an adequate signal from the station in question. That takes in a lot of territory for any first class station . . . including a lot of territory that doesn’t mean much to the buyer of broadcasting time.

**AUDIENCE** (in the Westinghouse Radio Station’s vocabulary) means what it sounds like: The actual listeners to station programs.

Coverage may be interesting to know . . . but it’s **AUDIENCE** that makes broadcasting time pay its way.

Westinghouse Radio Stations have developed a new method for measuring **AUDIENCE**. You can now know with more certainty than ever before the *audience value* of the time you buy. We can tell you in actual trading areas what is the primary zone of influence of Station KDKA, for instance. Also the daily average number of listeners to KDKA in that zone. Month to month records are available of changes in number of listeners.

When you’re planning a radio campaign, get the facts about **AUDIENCE VALUE**. “Coverage” doesn’t listen.



## WESTINGHOUSE • RADIO • STATIONS

**WBZ-WBZA**  
990 kilocycles

Boston, Mass., Hotel Bradford  
Springfield, Mass., Hotel Kimball

**KDKA**  
980 kilocycles

COMMERCIAL OFFICES  
Pittsburgh, Pa., Hotel William Penn

**KYW-KFKX**  
1020 kilocycles

Chicago, Ill., 1012 Wrigley Building  
New York, N. Y., 50 East 42nd Street

# Government in Business

BY JAMES TRUE

*Director, Washington Bureau*

WASHINGTON, D. C., September 30.—Salaries in the government service will not be reduced, although there will be much discussion of the subject. Probably the only reduction that would be approved by the administration is that of congressmen's salaries; but the rumor that congress will voluntarily accept reductions is not considered seriously.

Wage cuts in industries during the past week are a disappointment to the administration, although they were not unexpected. The Department of Labor has announced that the total payroll of about 14,000 manufacturing establishments has dropped 32 per cent from December, 1929, to June, 1931. During this period employment slackened 21.43 per cent, and wage reductions obviously affected the total. The figures cover fifty-four principal manufacturing industries.

The conviction here is that the resistance of the administration to wage reductions has had the benefit of delaying an inevitable reaction. In sustaining purchasing power, this effort has tended to lessen the effect of the depression. It is now thought that employers are generally convinced of the necessity of keeping as many at work as possible, and that wage reductions will continue for some time.

**Guaranteed Bank Deposits** are likely to receive the attention of congress during the coming session. Government economists are worried because of the growing volume of currency that is being hoarded. Several plans are being discussed, and it is thought that the banks through some form of cooperation can work out a system of guaranteeing deposits, with the possible assistance of suitable legislation. As a means of attracting deposits, progressive bankers are growing more interested in the proposition.

**Rumors of Suppression of Advertising Information** in the Louisville and other surveys have no foundation. In both the published and unpublished material on Louisville, there are many facts bearing on advertised goods; but the survey was unable to determine just what to consider a nationally advertised brand. A committee of prominent advertising men was appointed to solve this problem, and, after several sessions, the committee threw up its hands. Officials of the Department of Commerce are emphatic in their declaration that there is no prejudice against giving out the information on advertising to anyone who wants it. They will not, however, define an advertised brand.

**Costs of Wholesale Grocery Distribution**, as revealed by the investigation of twenty-five low cost wholesalers, show some surprising facts. The average distribution cost of all wholesale establishments studied is well below 6 per cent.

**Improvement of Manufacturers' Distribution** must come from the utilization of two factors, according to the conclusions of an official who has taken part in a number

of recent investigations. The first factor must assure a profit to wholesalers and retailers. Especially in the field of nationally advertised goods, many items cannot be turned rapidly enough to show a profit to any distributor. This eventually creates a sales resistance that burdens the manufacturer with an unnecessary cost.

The second factor is the assurance of an equality of treatment, based on an invariable selling policy.

**Education of the Consumer** has gone far beyond the realization of many manufacturers. Thousands of letters requesting printed copies of the broadcast addresses of Dr. Julius Klein and others indicate an interest in methods of manufacture and distribution that is amazing. The returns from the agricultural department broadcasts also indicate a rapidly increasing interest in and knowledge of general distribution.

Few manufacturers in their advertising and merchandising are taking advantage of what the majority of consumers evidently know about distribution. They are also failing to advertise many facts regarding their products that the consumer is interested in and that would encourage a greater demand.

**Federal Standards for Canned Foods**, as modified by recent legislation, are being established as rapidly as possible, according to a statement by the Food and Drug Administration of the Department of Agriculture. Under the amendment to the Pure Food Law, the Secretary of Agriculture is authorized to prescribe and formulate quality standards for all canned foods, with the exception of meat, meat products and canned milk. The secretary has announced official standards for peas, peaches, pears, tomatoes, cherries and apricots, and certain grades of these may now be sold provided the labels bear the legend: "Below U. S. Standard; Low Quality but not Illegal."

Canned foods are considered of standard fill if the entire contents occupy 90 per cent or more of the volume of the closed container. "Slack Filled" on the label of the can indicates that the food in the container does not occupy 90 per cent of the volume.

**Direct Advertisers** may attract additional attention to their mailings by being among the first to use the new postage stamps designed by the Washington Bicentennial. This series, announced this week, will be in twelve denominations, from one-half to ten cents, and will be placed on sale to the public beginning January 2, 1932. Each stamp will have as the central design a likeness of George Washington, reproduced from the portraits of famous painters. There also will be issued a special series of bicentennial stamped envelopes.

**The Average Drugstore** sale in St. Louis ranges from thirty to thirty-five cents, about one-fourth of the average in grocery stores. This means, according to the findings of the St. Louis Survey, that the operation of a retail drugstore never can be carried on with the margins currently found in grocery stores, although this is the aim which some retail drug units have set, according to Wroe Alderson, who is directing the survey.



# The Postman Whistles

## In Mr. Davey's Footsteps

Editor, SALES MANAGEMENT:

We have read with considerable interest the articles recently published in SALES MANAGEMENT concerning the Davey Tree Expert Company. These were interesting to us because we have been carrying on a similar program with our representatives for some time.

Merchandising plans that sell merchandise, a new compensation plan that works and a continuance of driving home the idea of fighting for business have been partially responsible for keeping our production on a full-force basis, with no less than nine hours per day, and much of the time ten hours, and even some overtime during 1931.

The points we wish to make are as follows: In the first place most compensating plans are so psychologically incorrect that it is no wonder that even in good times and with the best representatives manufacturers do not get as much from their men as is possible. We believe that less psychology has been applied to compensation plans affecting representatives and salesmen than to any other employees, yet these men need the plan that is most perfect. We have developed a plan which is working out more perfectly than any we have seen or read about. It is bringing results.

In these times, representatives need new merchandise, and most of all new merchandising ideas. Lastly, they must be kept in the correct frame of mind. This we feel cannot be done with a single letter. We believe it is a process of education that must be continually hammered at from different angles. We have tried to do this, with some success, in our weekly bulletin. In addition, we have carried through these ideas with personally dictated, individualized letters to our representatives, at least once every two weeks. Of course, we have not overlooked the field work, for any representative must be continually strengthened with this kind of contact.

In the process of education, we wish to specifically call your attention to the article beginning on page 2 of our September 4 "Red Tag."

Our men are fighting.—H. H. Dooley, field sales director, West Bend Aluminum Company, West Bend, Wisconsin.

(SALES MANAGEMENT has asked Mr. Dooley to furnish the full facts about the West Bend plan for presentation in an article in SALES MANAGEMENT. The article in the "Red Tag," the company's bulletin to salesmen, to which Mr. Dooley's letter refers, was a reprint of the letter sent by Martin Davey to his salesmen, and quoted in an article in SALES MANAGEMENT for August 22, "How Should a President Talk to His Salesmen?" That many sales executives are giving thought to their compensation plans is indicated by a survey just completed by the editors. The first article summarizing the results of the survey appears this week.—THE EDITORS.)

## Reprinting Marietta Story

Editor, SALES MANAGEMENT:

I have just noticed an article in SALES

MANAGEMENT for September 12 about the Marietta Chair Company, Marietta, Ohio. I believe this article would be of great value to us and our employees if reprinted in our company magazine. Not only is the Marietta Chair Company one of our customers, but the article itself tells an unusual story. May we request permission to reprint in *Courtesy and Service*.—J. R. Glancy, managing editor, "Courtesy and Service," Fairmont, West Virginia.

(*Courtesy and Service* is a magazine published monthly for the employees of the Monongahela System.—THE EDITORS.)

## First Aid to New Products

Editor, SALES MANAGEMENT:

Enclosed please find our check for \$4 covering subscription to SALES MANAGEMENT, which we feel will be an indispensable aid in the merchandising of new products which we have recently brought out.—C. J. Helm, vice-president and general manager, O. E. Thompson & Sons, Ypsilanti, Michigan.

(Subscriber Helm should have gotten his \$4 back in service with the first issue he received—that of last week. It contained two excellent articles on testing the market for new products, "Cracking the Department Store Market on a New Item" (Pacific Mills), and "Market Tests Prove Desirability of Widening Oh Henry! Line."—THE EDITORS.)

## Neck and Neck Reprint Race

Editor, SALES MANAGEMENT:

Please refer to the editorial entitled "You're the Doctor," by Ray Comyns, which appears on page 348 of your September 5 issue. I should like to secure 600 copies of this editorial, which I understand are available at \$.02 each. I can use it very handily as an attachment to a letter which I am mailing out very shortly in a salesmen's letter campaign during the month of September. It must be understood, however, that this order does not hold unless I can receive these by Saturday, September 19.—E. V. Walsh, general sales manager, Timken-Detroit Company, Detroit.

(The favorite topic for speculation among the editorial staff these days is which of the various single-page features for salesmen will pull the greatest number of requests. "You're the Doctor" is running a hot race with "Is Business Bad?". Among those who ordered the former for distribution to their men are: Adams Bag Company, Frederick Stearns & Company, Scott Tobacco Company, Consolidated Gas Company of New York, The Hoover Company, The National City Company, Igleheart Brothers, National Cash Register Company, National Theater Supply Company.—THE EDITORS.)

## "Government in Business"

Editor, SALES MANAGEMENT:

There is a feature in SALES MANAGEMENT that interests me greatly; it is the "Government in Business" article each week from Washington. On the editorial page

of the Sabula Gazette each week I would like to run excerpts from this feature. I will give credit not only to James True, but to SALES MANAGEMENT. There are many sections that I believe would be interesting to Gazette subscribers . . . may we have permission to use any or all of "Government in Business," provided we give full credit?—George H. Hedges, publisher, The Sabula Gazette, Sabula, Iowa.

(Permission has been granted to Reader Hedges.—THE EDITORS.)

## Dalton Pamphlet Appreciated

Editor, SALES MANAGEMENT:

We should appreciate very much receiving a copy of the pamphlet, "Let's Face the Facts and Go Back to Work," by James Dalton, referred to on page 402, September 12 issue of SALES MANAGEMENT.

We are intensely interested in any material designed to increase moral stamina and intelligent optimism during this period when most of the news and other public pronouncements tend to exaggerate and aggravate a situation that can only be improved by the substitution of intelligent action for the all too prevalent epidemic of post-mortem discussion.—M. F. Mahony, manager, sales operations division, electric refrigeration department, General Electric Company, Cleveland.

(SALES MANAGEMENT, sensing a similar need on the part of many other business executives, in June started a department called "Plus Signs," which is being widely reprinted. "I think 'Plus Signs' is one of the strongest features any publication has adopted," wrote James H. Warburton, sales manager, The Marietta Chair Company, in a personal memorandum to the editor, two weeks ago.—THE EDITORS.)

## "No. 1" on Reading List

Editor, SALES MANAGEMENT:

I don't see how anyone can get along without your magazine as it is always "No. 1" on my list and without doubt the best publication for executives issued today. Be sure and notify me in ample time when my subscription expires, so I can renew promptly.—Frank S. Cronk, technical advertising, Denver.

(SALES MANAGEMENT will endeavor to continue delivering the same quality brand.—THE EDITORS.)

## "Profit Clinics" Approved

Editor, SALES MANAGEMENT:

Why do you not ask Mr. Knoeppel to include as a part of his series, "Profit Clinics and How to Hold Them," some definite suggestions based upon his experience in actually holding these meetings? Certainly out here on the Pacific Coast there are many business executives who do not know how to get the most out of a group meeting and we often believe there is more harm than good comes from them. On the other hand, undoubtedly there are many successful concerns that profit by well-organized and well-staged group meetings and undoubtedly Mr. Knoeppel could offer many valuable suggestions.

This article No. 1, beginning in your September 5 issue, was mighty interesting and we shall look forward to the receipt of additional numbers with a great deal of interest.—K. L. Hamman, president, Hamman-Lesan Company, San Francisco.

# Significant Trends

*As seen by the editors of Sales Management for the week ending October 3, 1931:*

• • • Late trade reports are encouraging, although it is now understood that the record of business for September will not be especially good. The present favorable factor is the more seasonable weather which has exercised a decidedly tonic effect in many lines.

• • • Copper producers are talking of a conference here to consider new output restriction. The last attempt to establish something like a balance between supply and demand was in June, and it proved abortive.

• • • Limitation of crude oil imports into this country to 140,000 barrels a day and elimination of all imports of refined products of oil has been recommended to Secretary of Commerce Lamont by the stabilization committee as a means of steadying the oil industry. The period suggested is the remainder of this year and as long thereafter as we have a stabilization program.

• • • Coca-Cola's earnings in the September quarter are estimated, according to the preliminary figures, at something more than the earnings in the same period last year—a truly significant showing, all things considered.

• • • Department store business in New York during the first half of September was 17 per cent below that of the same fortnight last year on the dollar basis, according to a special Federal Reserve Bank report. This decline exceeded most estimates. The excess was generally ascribed to unfavorable weather conditions.

• • • Recent advertising by New York department stores reflecting on competitors' prices is sharply criticized by the local Better Business Bureau. (An editorial note on this subject will be found on page 36.)

• • • Discussion of the current wage cuts continues along familiar lines. The prevailing opinion seems to be that, in view of price declines, the action, however deplorable, was inevitable and in the long run will prove beneficial. The test will come in the effect on employment.

• • • The average price of commodities sagged last week, the Irving Fisher index number falling to 68.6 compared with 69.0 a week ago. British commodities prices, responding to the depreciated pound, rose sharply, as expected, the Crump index number touching 62.3 compared with 60.5 the week before.

• • • Wage cuts of from 5 to 27½ per cent affecting 20,739 employees in 221 factories were reported to the Department of Labor in the thirty-day period ended August 30. The cuts and number of persons affected were less than in the preceding thirty days. The later action of U. S. Steel and other large corporations will, of course, give a big boost to the figures for the period ended September 15.

• • • Sales of silk piece goods in August exceeded those of July by 26.6 per cent and those of August, 1930, by 11.4 per cent. These data confirm the opinion ex-

pressed in the silk trade recently that the competition of rayon and woolen goods is not checking recovery in silk.

• • • Chain store companies in North Carolina to the number of 275 operating 1,645 stores are now paying under protest the special tax of \$50 a store in excess of one. The collection is from 1,379 stores. The law is now before the Federal Supreme Court on a test of its constitutionality.

• • • Automobile output in August dropped to 187,197 vehicles, lowest since last January. Compared with July and the previous August the decline was 15.8 per cent. Between July and August last year the falling off was 17 per cent.

• • • Construction contrasts in thirty-seven states east of the Rockies which are reported by F. W. Dodge totaled \$186,432,200 in the first three weeks of September, a decline of about 22 per cent over the same period last year.

• • • American banks are taking Canadian currency in deposits only at a very large discount—much above the quoted rate—a practice which is not promoting trade among the border cities.

• • • Depreciation of the pound sterling is cutting tariff protection, according to some domestic producers. Custom house valuations being based on current dollar values of the pound tend to lower the amount of duties collected. Importers are taking advantage of the situation by increasing their orders abroad.

• • • The virtual hoarding of a billion dollars or more is regarded by L. A. Miller, president of Willys-Overland, as the cause of much of our present troubles. When this money is returned to legitimate channels of trade, he says, we shall see unemployment shrink and prosperity return.

• • • New uses for rubber have been suggested from all parts of the world to such an extent, says the rubber division of the Department of Commerce, that there is a reasonable chance of an increased demand for rubber which will check oversupply and raise prices.

• • • Short selling of commodities as well as securities seems destined to be the subject of congressional debate and legislation at the forthcoming session. Reports from Washington agree that sentiment at the capital is crystallizing in favor of doing something to check bear efforts to depress values during periods when confidence is at a low ebb. Such action, limited in effect to emergencies, it is believed the President would approve.

• • • The Carodine Company, with headquarters in Columbus, has been incorporated in North Carolina as a selling organization to facilitate distribution of food products of the state put up in accordance with the company's standards. The name of the company is derived from the iodine content of food products characteristic of North Carolina soil.





# 475 Companies Tell They Are Adjusting Compensation

Based on a field survey conducted by the editors of Sales Management

**W**HAT'S happening to salesmen's compensation?

During the past three weeks when nation-wide wage adjustments have been made in steel, rubber, motors and other major lines on the productive sides of the businesses, SALES MANAGEMENT has been conducting a field survey to determine what revisions are being made in salesmen's compensation.

Reports from, and discussions with, about 475 companies widely scattered as to location and line of business, show that a policy of change and revision is being developed in almost every line, not only as applied to salaries, drawing accounts and commission arrangements, but also as applied to revision of territory and other factors closely connected with the problem of salesmen's earnings.

When we report that general revisions are being made, it is not to be taken for granted that all revisions have been in the nature of cuts. Companies are naturally being more cautious about the advancement of drawing accounts against commissions which may never be earned, but there is every indication that high premiums continue to be offered for real sales ability, and that men with courage, initiative, resourcefulness and energy are, in many cases, now in a position to equal or better the best earnings in their careers. The "weak sisters," the poorly trained men and the lazy calamity-howlers, who have been marking time waiting for business to pick up, are fast being put out of the running. The biggest back-to-work movement in a decade is in progress.

Faced with the problem of cutting overhead and at the same time appreciative of the vital need for maintaining the highest possible morale on the part of the men in the field, most companies have found themselves facing a dilemma not easy of solution.

Reporting in terms of trends, the survey showed:

1. That present business conditions have accelerated the movement away from salary, or salary and commission plans, to arrangements more often involving sliding commissions, bonus arrangements, premium payment for the most profitable types of business, and various kinds of profit-sharing plans.

2. That, while there is every indication that management feels the need for adjustment of payment plans to meet immediate problems, there is also evidence that management is thinking ahead as to the probable effect such changes will have after business begins to show a marked pickup.

3. Drawing accounts, where they have been in force, are being cut generally, because of the piling up, in some quarters, of the salesmen's indebtedness to the company through money advanced against commissions which are not being earned.

4. Considerable thought is being given, on the part of many executives, to the bearing of the compensation plan on the morale and fighting spirit of the men in the field.

5. Many concerns are adjusting territories to give the best men a bigger field in which to operate, at the same time lopping off the poor producers who normally might be carried in the red for a period of some months.





# How Salesmen's

6. Those companies that have been operating on a profit-sharing arrangement of some kind seem to be in less difficulty regarding compensation complications than firms operating on other payment plans.

7. Salesmen's expense accounts are being cut, but only slightly. This is due to the fact that transportation and hotel rates, two of the big items in accounts, have not declined. Automobile allowances are undergoing a general revision to lower levels.

8. About one-third of the number of concerns reporting among those having salary arrangements have cut salaries, mostly in amounts between 10 and 20 per cent.

A considerable number of executives expressed themselves as being opposed to any kind of cut in compensation for salesmen, the majority of them pointing out that such a move would only reduce, or obliterate altogether, the fighting spirit which is so sorely needed in facing buyers now. The large amount of calamity-howling being done everywhere is already taxing the patience and nerves of salesmen to the limit, they believe. A typical view is expressed by C. T. Melvin, vice-president, The Gulf Fertilizer Company, of Tampa, Florida.

Mr. Melvin says: "I cannot think of anything more foolish than to adopt any method that will decrease the efficiency of your organization during those times when every ounce of enthusiasm, energy, and loyalty is needed. Some executives seem to have the unconscious opinion that their employees are like engines; that you can run them at high speed or any speed by regulating pressure on the gas. You can't do that. An employee's service is governed by his mental attitude. If his mind is not right, then he will do only just enough work to hold his job. If he is a good guesser

The necessity for cutting overhead to the bone, and, at the same time, for supplying the greatest incentive factors possible to encourage better performance on the part of salesmen, has led many companies to change their compensation plans recently. Sales Management only last week concluded this survey among 475 representative firms. The editors believe the report represents one of the most constructive and timely features of a survey nature that the magazine has ever been able to offer. The survey will be presented in three parts. Parts II and III will be printed in the issues of October 10 and October 17.

then he may hold his job, but if he is a poor one, then he loses it. On the other hand, if the employee is expected to pull his pound and, in fact, more than his pound during difficult conditions, his mental condition must be such as to urge him to do it. I would very much rather let a man go altogether than to make any material reduction in his compensation.

"The salesmen of this company have not had their salaries reduced. We have gone to each man and have told him that we are expecting better returns at less cost per unit in order to justify his salary and that if he cannot produce that, then we will have to replace him. . . . Our pruning has come through a more careful supervision of expenses. We have gone to some considerable trouble to encourage our men to make better use of their time and cut out needless trips and waste of working hours. We do not work men on commissions and none of our men have drawing accounts.

"Of course, if the sales force in any company, due to unusual times of prosperity, has been grossly overpaid, then I think it is entirely correct that their compensation should be cut to meet existing conditions.

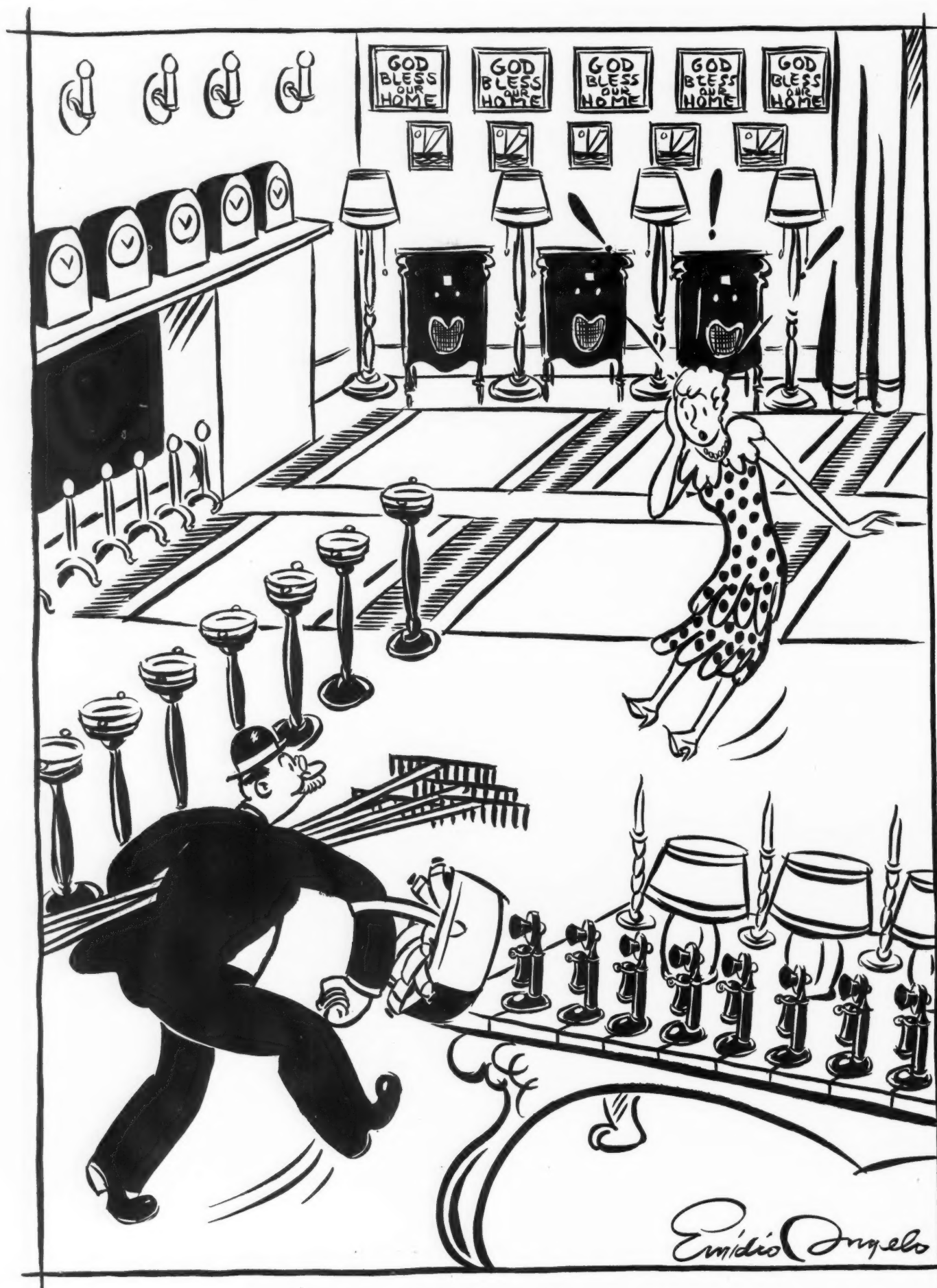
"In the final analysis, the cost per unit is the gauge by which selling expense should be measured, and I am yet to be convinced that cutting men's salaries and thereby lessening their enthusiasm is the right method to bring better results. By far the best method, in my opinion, is to concentrate on the education of your salesmen to produce better results and more returns at less cost per unit by reason of increased volume.

"Our attitude may not be applicable to other lines of business, but it is working all right with this company and, even with conditions as they are, we are reasonably well satisfied with the progress our company is making."

Several other executives reported themselves to be in almost complete agreement with Mr. Melvin. Each of them pointed out the need for maintaining morale, and each was depending upon the management's ability to sell the men the idea of reciprocating by digging more diligently than ever for business.

Whiting & Cook, of Holyoke, Massachusetts, is another concern that has cut neither the men's salaries, nor their rate of commission. "I believe," says Stanley W. Cook, vice-president, "that we need harder working salesmen. A cut in income will not make them work harder. Fear of a cut unless they produce results is, I believe, a greater incentive just now."

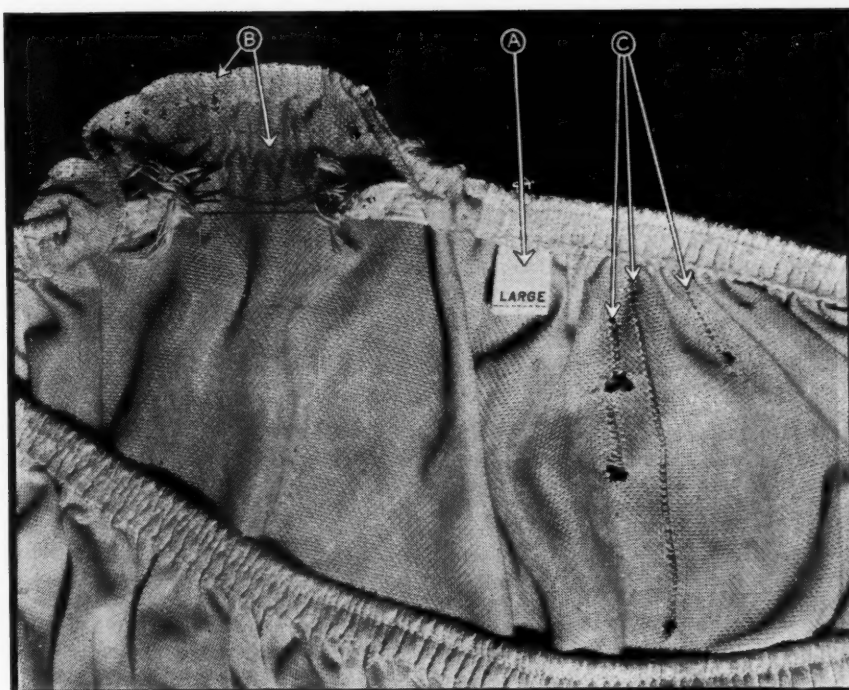
(Continued on page 34)



Q The quantity discount plan goes wild.



Yes, this is a photo of a piece of woman's underwear. Not just after the murder was committed, but soon after a manufacturer victimized his public with size deceit. This garment typifies an odious form of modern racketeering. The size was wrongly marked "large" while the garment is actually too small for a small-sized woman. (B) shows the condition of the elastic and waist seam after only three wearings by a large-size woman. (C) shows runs in fabric started by the customer's use of a safety pin to hold up the garment.



## The Viscose Company Develops Plan for Selling Quality Instead of Price

A RAW material manufacturer's move to prevent substitution and cheapening of the finished product of the industry has proved resultful after more than a year's trial. The Viscose Company's quality control plan may, therefore, prove of interest to other manufacturers in other lines who have been confronted with a similar problem.

In June, 1930, The Viscose Company, making more than half of the rayon yarn produced in the United States, put into effect their quality control plan, whereby they could keep control of their Crown Brand rayon yarns through the knitting, weaving and manufacturing divisions of their industry right to the retail counter. The Viscose Company initiated this step to counteract the rising tide of

The Viscose plants are operating full time, the sales volume in 1931 is moving consistently and substantially ahead of 1930. Hence, this plan, already backed by a year's experience, should prove of especial interest to manufacturers who sell their product for remanufacture and who therefore are confronted with the problem of insuring a proper understanding of quality on the part of the purchasing public.

BY JOHN A. SPOONER

*Merchandising Director, The Viscose Company, New York*

disrepute attached to rayon because certain manufacturers were skimping on quality and size, leaving the public buyer holding the bag.

The plan has two phases, co-operation and assurance to the manufacturer and cooperation and follow-through of this assurance for the retailer. Under the quality control plan Viscose states its case to the manufacturer who uses its yarn thus: "We agree upon execution of contract-agreement (1) to issue a license which permits your use, or allotment

to the trade of labels bearing the Crown trade-mark and the name Crown Brand Rayon Yarn; (2) to promote and advertise tested quality labels extensively to the retail trade so that merchants may be guided by them in buying all-rayon merchandise; (3) to follow up all use of our labels to insure fair play to every factor in the trade. Viscose Company investigators will cover retail outlets in every part of the country and by means of keyed labels will have an immediate check-up on use or misuse of the



The Viscose Company label



Crown name tested quality labels or Crown trade-mark. Any company not properly licensed using The Viscose Company's trade-mark will render itself liable to suit for injunction and damages for trade-mark infringement and unfair competition."

In return for this, the manufacturer must agree to (1) "sign the contract-agreement, which entitles him to a license for his use or allotment of tested quality labels; (2) to distribute the labels as finally agreed on, and use them according to contract-agreement; (3) cooperate with Viscose in keeping this agreement in letter and spirit and reporting immediately any irregularities in the use of the labels that come to the manufacturer's attention."

Thus through the quality control plan does the Viscose Company make possible for itself, the manufacturers to whom it sells, the retailers through whom it sells and the public who use the final product an assurance that definite quality standards have been and will be rigidly adhered to. The quality control plan also goes a step further by relieving the public and the retailers from the racketeering practice of certain unscrupulous manufacturers in the matter of garment sizes. Suffice it to say that 80 to 90 per cent of the returns used to be attributable to improper sizing.

To those in other fields this phase might seem somewhat inconsequential, but everyone in the rayon industry and all well-informed retailers agree that the biggest problem of marketing rayon underwear is "sizes," therefore the biggest task before retailers and yarn producers is to induce rayon underwear manufacturers to adopt size specifications as business standards in order that the consuming public may get its money's worth in rayon merchandise. The vital need for constructive action along this line resulted in the adoption of such standards at conferences called within the industry, and today these specifications in slightly revised and improved detail constitute the size specifications approved by the Bureau of Standards of the U. S. Department of Commerce.

Because of the size evils which hitherto existed, under the Viscose plan, no licensees are accepted unless they agree to adhere and *do* adhere to the size specifications of the Bureau of Standards. Thus is the gyp manufacturer "stymied" and the public assured not only of quality of product but of honesty in the quantity (size) representations.

For the benefit of the retailer who supports the quality control plan by buying merchandise made under its

regulations, The Viscose Company will help him find any labeled rayon product he wants to buy, promote the tested quality label so that it means a quality mark to the retailer's customers, namely, the public.

To prevent any taint of favoritism, The Viscose Company established a set of quality specifications with the help of the Better Fabrics Testing Bureau of the National Retail Dry Goods Association. This same testing bureau serves as the policing force to see that the specifications set are maintained.

Widespread advertising in the trade press continuously calls the attention of the manufacturing and retailing ends of the industry to what these tests are and what they mean to all parties concerned. These advertisements also offer the services of the testing bureau as the outside disinterested organization, to test any fabric at any time to make sure it meets the requirements of the quality control plan. That The Viscose Company, the Better Fabrics Testing Bureau and cooperating retailers mean business will be attested by six manufacturers who failed to live up to the agreements under the quality control plan and whose licenses to use Crown Brand rayon yarn were revoked a few months ago.



+++ TOTAL LIFE INSURANCE in force, despite the business depression, made a net increase of \$1,250,000,000 during the first half of this year.

+++ LOADINGS OF REVENUE FREIGHT for the week ending September 9 gained 10 per cent over the preceding week.

+++ GASOLINE STOCKS ON HAND declined another 300,000 barrels for the week ending September 26. Since April stocks have declined 15,095,000 barrels.

+++ COPELAND PRODUCTS (mechanical refrigeration) showed an increase in August of 43.7 per cent over last year. And for the year to date the increase is 21 per cent.

+++ REMINGTON-RAND, INC., September bookings are 6½ per cent ahead of 1930.

+++ VOLUME SALES of silk piece goods for the first eight months are 11.4 per cent greater in volume than during the corresponding period of 1930.

+++ THE LARGEST CROWD IN HISTORY attended the 1931 Radio Show, and orders totaling \$6,483,421 were booked by manufacturers.

+++ BUILDING CONTRACT AWARDS in the first half of September increased

That the many manifestations of the plan might seem to make it a handicap rather than help in sales is disproved by the results Viscose has had with it. Large retailers have welcomed it. A large chain store company was enthusiastic enough about the plan to have special labels made up. Others are doing the same.

Manufacturers are likewise supporting the plan so that Viscose sales are ahead of last year. The case of a converter is typical. When the plan was first initiated, he bought Crown Brand rayon yarn to use on only two of the weaves in his line. Finding the retail reaction favorable, he has increased his use of Crown Brand until now, within a year's time, he has fifteen different weaves operating under this plan.

Cases like this are the result of widespread education all done within the year. Advertising in the trade press, a two-reel motion picture and a house organ, *Crown News*, have told every unit of the trade how the plan serves them and how they can serve the plan. Some of the larger chains and manufacturers supporting the plan have liked *Crown News* well enough to ask to have it mailed to their store managers and salesmen, respectively.

17 per cent as compared with the same period in August.

+++ BUSINESS FAILURES last week, according to Bradstreet's, were 0.2 per cent less than the corresponding week of last year.

+++ ELECTRICAL PRODUCTION for last week showed an increase of 5.1 per cent from the preceding week, and in the Atlantic seaboard section there was an increase over last year.

+++ GASOLINE CONSUMPTION FOR THE NATION for the seven months ended with July is estimated by the American Petroleum Institute as being 3.5 per cent greater than last year.

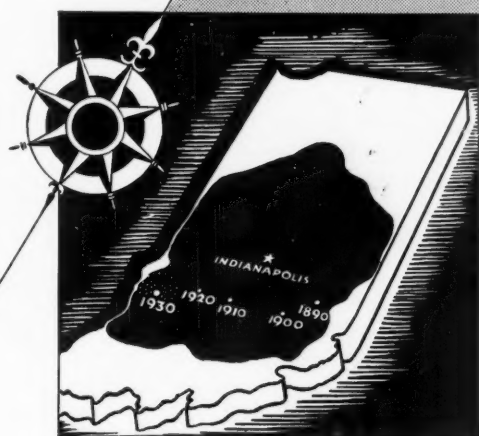
+++ SALES OF ELECTROLUX gas refrigerators by the Consolidated Gas Company of New York in August set a new high monthly record at 6,154, against 5,916 in July, the previous high month. Sales for the first eight months were 977 per cent ahead of the corresponding period last year.

+++ CHRYSLER CORPORATION's production of motor cars in August was 132 per cent greater than the corresponding month of 1930, as compared with a decline of 16 per cent for the industry as a whole.

+++ THE INDEX OF BUSINESS CONDITIONS (Irving Fisher) gained 9.77 per cent for the week ending September 26.


+++ TWENTY-ONE COLLIERIES of the Lehigh Valley Coal Company reopened Monday with employment for 12,000 men. Many of these had been closed for months and some for more than a year.

*For 40 years the*  
**CENTER OF U.S. POPULATION**  
*has been located in the*  
**INDIANAPOLIS RADIUS**



A recent announcement by the Bureau of the Census places the center of population of the United States near Linton, Indiana. The location of the national population center in the Indianapolis Radius . . . for the fifth consecutive census period . . . again emphasizes an important feature of this heart-of-the-nation market. That feature is the easy accessibility of the market to the nation . . . and of Indianapolis to every part of the market. Indianapolis is the largest railroad center in the world not on navigable water . . . the home of the world's largest interurban terminal . . . the focal point of a state highway system that includes more miles of surfaced highways than any other state in the Union.

Such superb transportation facilities . . . plus the wide coverage and unusual resultfulness of *The News* (*first* in advertising in Indianapolis for 36 consecutive years) . . . make the Indianapolis Radius a market where the introduction of new products and the stimulation of sales can be accomplished with marked economy . . . and profit.

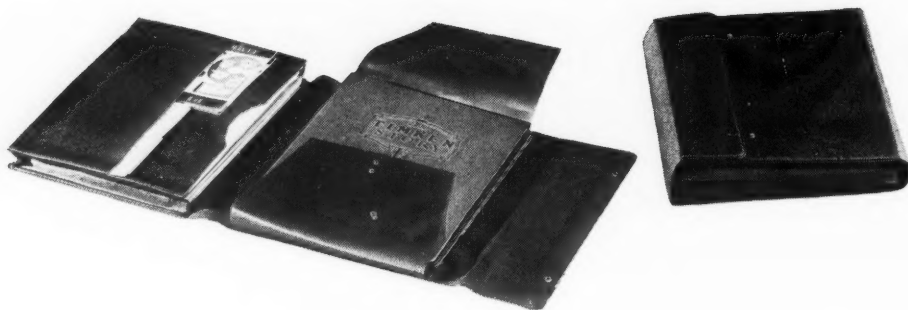


Member of the 100,000 Group of American Cities

# THE INDIANAPOLIS NEWS

**1<sup>st</sup> in Indianapolis for 36 consecutive years**

New York: DAN A. CARROLL, 110 East 42nd St. DON U. BRIDGE, Advertising Director Chicago: J. E. LUTZ, Lake Michigan Bldg



## Timken-Detroit Develops a Better Sales Kit for Less Money

A NEW sales kit introduced by the Timken - Detroit Company is of particular interest for four reasons: because of its origin, its form, the way in which it was produced and the way in which it was introduced.

How this organization secured a sales increase of 56 per cent last year was told in the March 28, 1931, issue of *SALES MANAGEMENT*. That was a notable performance, but to make a further increase on top of this in 1931 was an even more formidable undertaking. Nevertheless, that is just what they determined to do—with the result that for the first six months of this year they registered an increase of 33 per cent over the corresponding period of 1930.

In considering ways and means of maintaining their record-breaking pace, however, the management realized that considerably more manpower would be required, that such an increase in the number of salesmen would involve an extensive training program and that all salesmen would require the best possible sales helps and supervision.

They had had a portfolio sales presentation for some time, but apparently its contents were considered a little out-of-date. Anyway, some of their salesmen didn't use it at all and others used it only under special circumstances.

Knowing this, the management asked leading salesmen just what kind of sales kit they would like to have, how the presentation should be made and the order in which it should be



*Salesmen received the new Timken-Detroit sales kit with enthusiasm because it was built to embody points based on their own suggestions.*

BY D. G. BAIRD

arranged. Then in February they held a school of field management, attended by all branch managers and field representatives, and asked them the same questions. Following this, they proceeded to prepare a new sales presentation embodying the suggestions of those in the field.

The new sales kit consists of a portfolio sales presentation, a manual telling how to use it, loose sheets of technical and engineering data, hand-out literature and order blanks, all in a fabrikoid carrying case that is carried conveniently under the arm.

The sales presentation consists of thirty-four indexed pages in a loose-leaf binder of the solid-ring type, each folio of sheets being held in place by means of a steel wire slipped

through the rings. It can be dropped on its edge without springing the rings or causing the sheets to tear out. It can be used by the salesman when he has to make his presentation standing in the doorway, or it can be set up on a table by means of an easel wing button to the back. Sheets are of thirty-six-pound ledger paper and the page size is nine by eleven inches. Ledger paper was chosen, T. A. Crawford, advertising and sales promotion manager, said, because it has the same texture all the way through and when soiled it can be cleaned with an art gum eraser without rubbing off a finished surface.

The sales presentation is chiefly pictorial. Every page is illustrated with dry-brush drawings and/or

half-tones. There is a minimum amount of copy and this is in large type, with plenty of white space between the lines and elsewhere.

The manual contains three pages of instructions as to how to use the portfolio, what to say concerning every page of the presentation and five pages of answers to typical objections. On each page of the sales talk is a miniature reproduction of that page of the portfolio on which the talk is to be given, hence in studying what to say about a given page, he has that page before him, without the necessity of referring to the portfolio. Salesmen are required to study this standardized talk and learn to adapt it to their own personality, then to carry the manual with them at all times for ready reference.

(Continued on page 37)



# THE RESPONSE....

ADDRESS ALL LETTERS TO THE COMPANY

## REMINGTON ARMS COMPANY, INC.

SUCCESSOR TO THE REMINGTON ARMS UNION METALLIC CARTRIDGE CO., INCORPORATED.

MANUFACTURERS OF  
FIREARMS, AMMUNITION, CUTLERY, CASH REGISTERS, ETC.

**Remington**  
FED. & MFG. CO.

CABLE ADDRESS HARTLEY NEW YORK.  
FORD & SONS  
BENTLEY'S, WORLD UNIVERSAL, GENERAL  
A. S. C. 5TH EDITION, WESTERN UNION, USERS

SUBSIDIARIES  
REMINGTON CASH REGISTER COMPANY, INC., ILION, N.Y.  
THE REMINGTON CUTLERY WORKS, INCORPORATED, BRIDGEPORT, CONN.  
REMINGTON U. M. C. OF CANADA, LTD., TORONTO, CANADA.  
REMINGTON ARMS U. M. C. CO. LTD., BRIMSDOWN, MIDDLESEX, ENGLAND.  
REMINGTON MANUFACTURING COMPANY, INC., NEW YORK, N.Y.



GENERAL OFFICES  
CUNARD BUILDING, 25 BROADWAY  
NEW YORK CITY

July 8, 1931.

Mr. N.J. Leigh,  
Einson-Freeman Co. Inc.,  
Star & Borden Aves.,  
Long Island City,  
New York.

My dear Mr. Leigh:

The displays which your Company got out for us  
this year are so effective that I want you to know our appre-  
ciation.

We asked you for ideas - you came thru. We  
expected good reproductions of the original painting - we were  
not disappointed. In fact, we will go a little further and say  
that the main display, the majestic head of the Pointer dog, has  
everything a good display should possess. It is a knockout plus.

Just a word about your unique merchandising  
cards. The pyramid of shot shell boxes is an innovation in  
package advertising and will be very acceptable to the merchant  
because he will not have to display the actual boxes containing  
loaded ammunition.

I think you will gather from this letter that I  
like your displays very much.

Wishing your firm every success, we are

Yours very truly,

REMINGTON ARMS COMPANY, Inc.,

*Bayard Jones*  
Bayard Jones, Advertising Manager.

BJ/HT

ORIGINATORS OF AMMUNITION

OVER twenty-five years of  
window and counter display  
specialization has developed  
an organization of advertising  
men trained in this important  
medium. Our experience is  
worthy of the serious con-  
sideration of the advertising  
agency and the advertiser  
when planning a dealer-help  
campaign.

## EINSON-FREEMAN CO. INC. LITHOGRAPHERS

OFFICES AND MANUFACTURING PLANT  
STARR & BORDEN AVENUES, LONG ISLAND CITY, N. Y.  
NEW ENGLAND OFFICE - 302 PARK SQ. BLDG., BOSTON, MASS.  
WESTERN OFFICE - WRIGLEY BLDG., CHICAGO, ILL.

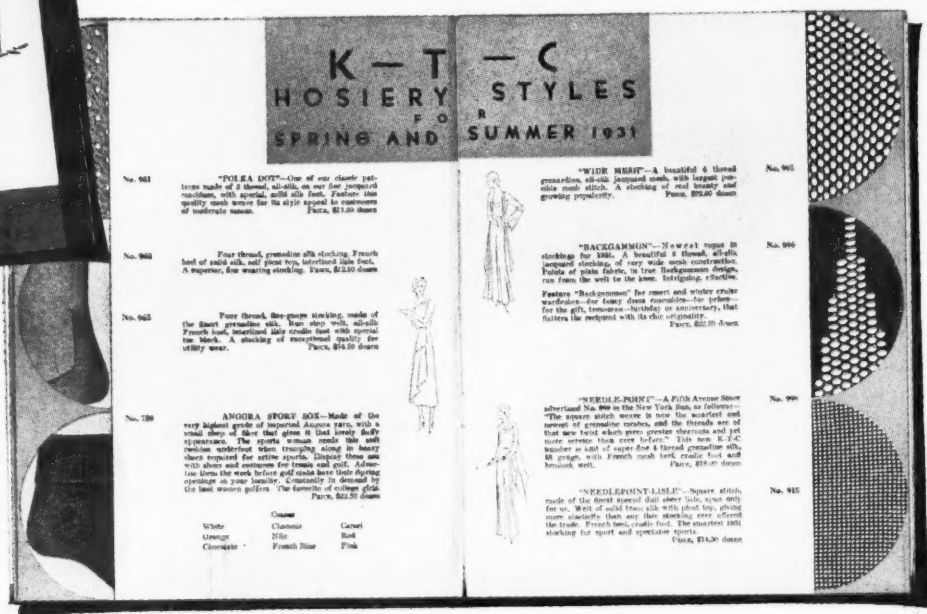


Inventors and Manufacturers  
of the Einson - Freeman  
Patented Double Tier Container.  
Licensee for Canada .. . . .  
Somerville Paper Boxes, Ltd.,  
London, Ontario, Canada. . . .



BY  
MERLE  
HIGLEY

# Builds Million Dollar Hosiery Business in One Year by Mail



**I**N a year when raw silk prices were scraping rock-bottom and the market was flooded with full-fashioned silk hosiery to retail at \$1, Clarke W. Tobin, of New York, started a new hosiery business featuring only high-priced lines. In one year's time he has built it up to a million-dollar volume. The bulk of his selling has been done by mail.

Last year many department and specialty stores, that formerly concentrated on \$1.95 stockings, began to advertise and feature dollar goods. Only a man of courage, merchandising vision, sales ability and manufacturing experience would start a new business at such a time, making and selling fine hosiery to retail at prices from \$1.95 up. Mr. Tobin began such a new business in July of last year, selling hosiery at high-price levels with the market trend diametrically against him.

The methods used and the results obtained offer helpful suggestions to concerns in many other lines, especially companies who are trying to buck the problems of a price-shot market.

With no advertising appropriation and only five salesmen, Mr. Tobin sought national distribution for K. T. C. mesh hosiery in the best retail stores from coast to coast.

"I am going direct to my potential customers with my merchandising story. I haven't the funds to scatter my fire. I want smart, authoritative color cards and catalogs, and deluxe announcements of my new numbers, worthy of their high-style quality, to mail direct with my personal message to the best hosiery retailers of the country," said Mr. Tobin.

Smart, authoritative color cards and booklets, giving retailers fashion-selling helps, model stock plans for building profits and turnover, copy and display suggestions, were sent in advance of each new season to a carefully selected list of leading stores. A fourteen-page booklet, with photographic reproductions of different mesh stocking styles, swatches of spring hosiery colors together with model stock plans for cities of three different sizes, mailed January 15, opened eighty new accounts in two weeks. Five new accounts were opened three days after mailing, one being wired by a store in Texas which ordered Plan 1 complete. Not only did this catalog sell high-price, high-style hosiery to the dealer by mail, "sight-unseen," sans salesman, but in addition its copy, art, layout so dramatized the merchandising possi-

bilities of mesh stockings that prominent department stores copied its illustrations in their advertisements.

The importance of the specific stock and merchandising plans offered in this catalog cannot be over-estimated. "A Model Profit-Making Plan for Four Different Size Cities" was the headline introducing this section of the book. "Herewith are presented four different plans for a K-T-C. Style—Sports—Specialty Hosiery Section—with a view to a six-time turnover," said the introduction. Then there followed "Plan No. 1," which was drafted for cities of 10,000 to 25,000 population.

Under this plan it was suggested that the dealer purchase a model stock of which the total selling price was \$307.20, wholesale price, \$188.00. A detailed enumeration followed, showing the amounts, sizes and colors of the various numbers suggested to make up that model stock.

Similar plans were presented for cities of 25,000 to 50,000, cities of 50,000 to 100,000, and cities of 100,000 and over.

William Filene's Sons & Company produced an outstanding fashion merchandising ad that used the K. T. C. (Continued on page 39)

# ...Your sales story as only you can tell it

**H**OW well *you* know the story of your products and your processes of manufacture . . . their uses and applications.

How often you feel that if you could get out in the field and personally talk to your customers and prospects, there would be "bigger and better orders."

How often you feel that if you could bring the prospect into your plant, personally conduct him thru the various manufacturing departments, show him your laboratory which is operated to safeguard *his* interests, take him thru your shipping department and show him the care that is exercised in packing . . . if you could do all these things, you feel that the prospect could not fail to become a customer.

Now these things are possible. Right in your customer's office . . . in a dealer's convention hall . . . before groups of consumers . . . anywhere. You can bring a standardized, dramatic, talking story of your product . . . how it is made . . . what it can do . . . what users say about it.

The Acme Talking Picture Projector—a complete portable outfit, using regular 35 mm. Sound-on-Film—is built by the world's largest designers and manufacturers of professional projection equipment. It is a tried and tested unit, meeting the same high standards demanded by Broadway motion picture exhibitors.

The uses of the Acme are limitless. With it a single customer or a thousand can *see* and *hear* your story. The President of your Company can meet and talk to every dealer. The production man can give a first-hand story of how your product is made and

why. Testimonials are given a real note of authority when the user is seen and his own voice heard.

✓ ✓ ✓

The Acme Talking Picture Projector is the ideal "sales-dramatizer" because:

1. It is really *portable*. A salesman can carry the entire outfit in the rumble seat of his car or in a taxi.
2. A salesman can easily master its operation in an hour or so.
3. It is precision made by the same craftsmen who make the projection equipment for practically every one of the country's movie theatres.
4. The Acme uses 35 mm. Sound-on-Film, standard professional size, which means pictures which look and are "professional."
5. The cost of Acme—both initially and for up-keep—is so low it is well within the limits of every sales budget.

✓ ✓ ✓

A new brochure, the first of its kind, explaining the sales promotional value of "talkies" in business, has just been published. We shall gladly send a copy to executives who are interested in projecting themselves into more sales situations—more often. INTERNATIONAL PROJECTOR CORPORATION, 90 Gold Street, New York, N. Y., U. S. A. . . . a division of GENERAL THEATRES EQUIPMENT, INC.

## Acme Portable Talking Picture Projector



# Fighters and Salesmen Need Heart

BY RAY COMYNS

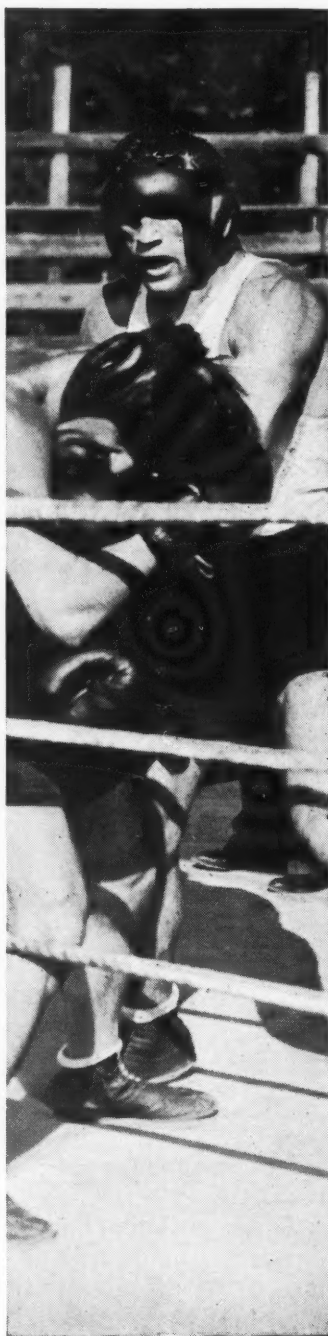
**I**N the library of the Westchester-Davenport Club a group of us had just listened to the broadcast of the Schmeling-Stribling bout. In the general comments following, one big fellow cut in sorrowfully: "Yes, but the winner being announced there should be Al Lassman."

Lassman was the great football captain for whom New York University has reserved the number "1" for all time; the man who had spoken, Len Grant, who played the other tackle and followed him as captain. Lassman was also national intercollegiate heavyweight boxing champion and his ambition to be heavyweight champion of the world would probably have been achieved but for a football injury which eventually caused his death—or so we concluded in the discussion of his marvelous fitness and fighting ability which followed.

"There's just one thing you haven't mentioned," said one. "Did he have heart?" and those of us who had known Lassman hastened to give assurance that he had heart aplenty.

\* \*

Heart in a fighter is that quality which prompts him to do just a little better, undiscouraged, when his opponent is just a little better than he expected him to be; that enables him to think fast and keep covered until his head clears when he has been rocked by one on the button; that enables him to keep fighting when his ribs have been reddened by body blows; that brings him to his feet at the count of nine; that keeps him carrying the fight and trying to put over the lucky haymaker



World Wide Photo

and a knockout when he knows he is outclassed. Heart and a lucky punch have won many a ring battle—and no fighter has ever been great lacking it.

I've known many men who had great heart in physical combat but who utterly lacked it for the stress and strain of life's economic battle. And, by the same token, physical cowards who showed undaunted courage in the more mental conflict of business. To me, the latter seems a rarer and higher quality.

\* \*

Today, as never before, the salesman, too, needs heart. Heart to take the continual straight jabs of "not interested." Heart to take the body blows of adverse decisions. Heart to take it on the chin when a big one, considered already in the bag, is turned down. Heart to take the blocking and feinting of "think it over," "must take it up in committee," the unintelligent "we ain't spending any money for nothing, no matter how good." Heart to take the "bicycle riding" of the man who runs away from appointments and interviews, who won't put himself within striking distance. Heart to break through the guard of the retailer who, with empty shelves, puts up a purely defensive fight to resist buying when he might lead with a punch of timely merchandising. Heart to continue fighting in the hope of putting over a lucky punch though the battle seems hopelessly lost.

Without heart, no salesman, at any time, has ever been great. Without it, today, no salesman can even be good.

# The Trade Association's Job in More Effective Planning

BY FREDERICK M. FEIKER \*

Director, Bureau of Foreign and Domestic Commerce, Washington

IT seems to me that the greatest outstanding single idea which is growing out of our present situation is the belief on the part of business men that we must control the amplitude of the ups and downs of business. Practically all of these proposals assume the trade association in some form as the essential unit of the proposed program of control, and the next idea that emerges from these many plans is that the government must take some action with regard to the machinery of control. These ideas range all the way from having the government take over industry, to changes in our present laws which will make it possible for businesses to combine for the control of prices and for the interchange of sales and production policies not now possible under our present laws. We have two camps of thought: One believing that force must be brought to bear to change or to direct the machinery of trades and industries; and the other that the machinery in trades and industries will not change the economic laws, and that the sure, and in the long run the better, method is the slower process of education.

If you belong to the camp that believes that the source of our evil at the present time lies in the anti-trust laws, you will do well to read the results of a study of the operation of the cartel system which one of my associates, Louis Domeratzky, has presented in the October number of *Foreign Affairs*. In essence, the European cartel puts into action the government blessing on about all of the things which the Sherman Law refuses to allow, and apparently the cartel as an instrument for control has not lived up to its expectations in the European countries where it has been applied.

A third, and to me a most practical angle to a stabilization program is the emergence of the idea of the deeper significance of commercial research in its relation to American industry and trade.

In my opinion, a great opportunity faces the organized trade groups at the present time in divorcing them-

selves from a purely legalistic relationship to the problems of business development, and establishing themselves on the platform of a solution of economic problems.

All the causes of selling waste are not yet known. We do know, however, that the inability of the average manufacturer, wholesaler and retailer to locate and work his natural markets with reasonable accuracy has given rise to an overlapping of effort for which the consumer could not pay in full. To combine a large number of these individual factors into a short formula, we may conclude that the ability of American business to recover stabilization must depend in a very large degree upon the development of a more complete knowledge of markets and a better knowledge and control of costs.

Every industry must see to it that it is in possession of factual information, showing all the external and internal trends which influence consumption pertinent to that industry. It is axiomatic that complete information is essential. Gaps in the chain of facts necessary to draw an understandable picture of what is going on with respect to the consumption of the industry's products mean a certainty of costly mistakes in forecasting.

What are the unfilled orders in your trade from week to week, from month to month? What are the stocks on hand with manufacturers, wholesalers and retailers? In what direction is consumer preference leading your trade? Through what channels of distribution do your goods move most economically into consumers' hands? What are the total sales of your product throughout the American market and what is the dispensation of those sales by items? In planning your sales quotas do you have to rely upon general market indices that in many cases have only a casual bearing on your particular product, or has your trade combined to build up a knowledge of the best markets for your separate products that collective experience can provide? What do you know about your distribution costs? Does overhead mean merely a lump sum expenditure incapable of differentiation, or is it something that

came into being because of steadily piled-up costs on different items, salesmen's territories and customers? If the latter, where has the burden been unequal, and how much is it costing you every year to support the system in which these errors are contained?

And finally, has your research effort in the field of distribution enabled you to arrive at uniform distribution cost methods, stock and inventory controls, and trade practices built upon economics as well as ethics? To what extent do the members of your trade practice selective selling and selection of distribution?

We can find encouragement in the fact that among all trade associations many of these things have been done. What we have still to achieve is a complete economic plan for each industry, embracing all of the good things that can be done and understanding the facilities through which they can be done.

Some industries are filing with the Department of Commerce periodic reports of sales and stocks on hand, prices and similar data, in order that the alternate gluts and famines heretofore characterizing most American distribution might be brought within reasonably close control. It is obviously easier to plan your next season's production when you are not relying entirely upon guesswork and hearsay. Other industries have used the department to round out a complete picture of the distribution of particular items of merchandise in the various portions of their market and have thereby been enabled to concentrate their sales effort and advertising appropriation where the potential returns are largest. Some trades have filed with the department complete statements of their operating costs, thus providing a standard of comparison against which to check their individual performances. No sales manager need be warned twice that if his selling costs, his delivery costs, his clerical overhead or his executive expenses are considerably out of line with similarly placed firms in his trade, there is work to be done.

In my opinion, a new type of trade organization is on the horizon. Basically that new association is an economic planning unit for its industry and trade.

During the next few months we anticipate in the Department of Commerce establishing helpful aids to group organizations seeking to perfect themselves in economic planning.

\* From an address before the American Trade Association Executives, Asheville, North Carolina, September 24.

LOS ANGELES—The Pacific Association of Advertising Agencies will meet at the Biltmore Hotel, Santa Barbara, November 4-6.



## Westinghouse Appoints Division Sales Heads for Industrial Lines

EAST PITTSBURGH—The industrial sales department of Westinghouse Electric & Manufacturing Company has been reorganized under O. F. Stroman, industrial sales manager, in units grouped according to the main classifications of industry.

Bernard Lester and C. B. Stainback have been appointed assistant sales managers—in charge, respectively, of development of business with industrial users of electric equipment, and of apparatus applying to these groups. Under Mr. Lester will be the following division managers: G. E. Stoltz, mining and metal working electrification; G. D. Bowne, general mill electrification; J. W. Speer, machinery; E. B. Bremer, appliance; and E. F. Mead, general industrial resale division.

Under Mr. Stainback will be: J. R. Olnhausen, medium A. C. motor section; R. M. Davis, medium D. C. motor section; R. O. Watson, large motor section; D. H. Byerly, small motor; W. W. Reddie, welding; T. C. Kelley, industrial heating; W. G. Balph, safety switch; W. H. McGilivray, control section; and F. W. Horst, cost section.

J. M. McKibbin, Jr., has been appointed manager of the promotion and advertising section.

## Editors Will "Censor" Ballyhoo's Ad Copy

NEW YORK—Increasing its circulation from 150,000 to 1,100,000 in four months, *Ballyhoo*, humor magazine, has decided to carry paid advertising—with George Woodard, formerly eastern advertising manager of *Modern Magazine* (also enterprises of George T. Delacourte), as supervisor of solicitations.

*Ballyhoo* has been running burlesque advertisements since its inception, but these have not been paid.

"Advertising will be accepted with the understanding that the copy will be passed by the editorial department," Mr. Woodard said. "If we start to run serious, uninteresting copy, our readers will soon lose the habit of reading everything in the book—and advertisers will suffer."

NEW YORK—A reduction of 25 per cent in advertising rates was announced this week by the *Literary Digest*. Offering 1,400,000 paid circulation, the page rate has been reduced from \$4,000 to \$3,000, back cover from \$8,000 to \$6,000, and four-color page from \$6,000 to \$4,500.



G. H. Hermann

## Sales Executive to Direct American Asphalt Paint

CHICAGO—Grover M. Hermann, formerly vice-president and director of sales, has been elected president of the American Asphalt Paint Company here to succeed Charles Phelan, who was killed in an automobile accident in Alberta, Canada, in August. Mr. Hermann and Mr. Phelan organized the company in 1913. It operated as a partnership until last year, when the corporation was formed.

Walter H. Cottrell, with the company since its inception, has been elected first vice-president.

## GMTC Establishes New Maintenance Policy

PONTIAC, MICH.—General Motors Truck Company has established a "preventive maintenance policy" which provides for servicing of trucks every 1,000 miles or every thirty days, whichever occurs sooner, with a charge of \$2.50 each time.

Service meters, loaned to the operators, are turned ahead 1,000 miles at each servicing by keys which are retained at the service stations.

Forty-four "points" are checked at each servicing.

## Studebaker Ranks Higher

SOUTH BEND—The ability of the Studebaker Corporation of America to progress during general depression is indicated in figures released by the company this week which show that between 1929 and 1931 Studebaker moved from ninth to fifth place in point of dollar volume. A similar condition obtained in the 1921 depression.

## Don U. Bridge Becomes Advertising Director of New York Times

NEW YORK—Don U. Bridge, advertising director of *Indianapolis News*, has been appointed advertising director of the *New York Times* and affiliated publications—*Current History*, *New York Annalist* and *Mid-Week News-Pictorial*.

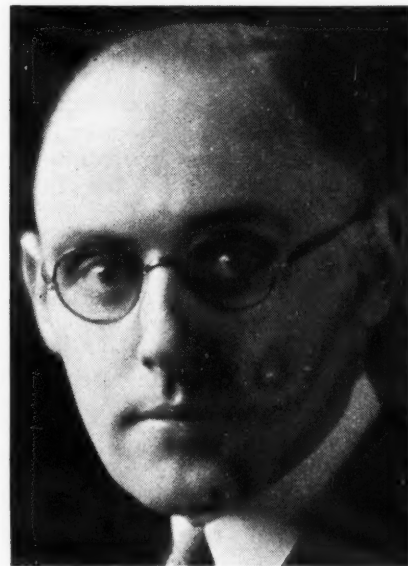
Mr. Bridge will serve directly under Adolph S. Ochs, publisher, and Louis Wiley, business manager, of the *Times*.

Thirty-seven years old, he started his advertising career as a salesman on the *Cincinnati Post* and later became a salesman, merchandising manager and national advertising manager of *Indianapolis News* under Frank T. Carroll, business manager.

Mr. Bridge is president of the Newspaper Advertising Executives Association, a member of board of directors of the Advertising Federation of America, and the Bureau of Advertising of the A. N. P. A.

For a number of years the *New York Times* has ranked in total volume of advertising lineage with the *Detroit News*, *Chicago Tribune* and the *Kansas City Star* as the highest in the country. For the first six months of this year the *Kansas City Star* was highest in total lineage with 13,270,842; the *Times* second with 12,291,386; the *Detroit News* third with 11,654,453; *Chicago Tribune* fourth with 10,748,596.

NEW YORK—J. H. Donahue, for fifteen years on the staff of Frank Presbrey Company, New York agency—more recently as vice-president, general manager and a director—has resigned on account of ill health.



Don U. Bridge



*Any Schedule Designed to Cover Los Angeles Should Begin With The Evening Herald*

They will be buying  
Electrical Refrigerators  
All winter in  
Los Angeles.



Los Angeles is unquestionably the greatest all-year market for Electrical Refrigerators.

A huge market—2,500,000 people live in the City and suburbs. A wealthy market—Los Angeles County ranks FIRST in America in "Spendable Income" per capita. A "twelve-months" market—warm, temperate weather all the year round.

Nowhere else can be found such a perfect combination of factors influencing the distribution of new electrical refrigerators.

—and the outstanding advertising medium in the field—leading every other Daily Newspaper in the west—both in circulation and in advertising—is the

## LOS ANGELES EVENING HERALD

NATIONAL REPRESENTATIVES:

HERBERT W. MOLONEY  
342 MADISON AVE.  
NEW YORK

JOHN H. LEDERER  
326 WEST MADISON  
CHICAGO

RAY MILLER  
GENERAL MOTORS BLDG.  
DETROIT

A. J. NORRIS HILL  
CALL BLDG.  
SAN FRANCISCO

## Phonograph Starts a Come-back; More Capacious Records Help

NEW YORK—The RCA-Victor Company, division of Radio Corporation of America, at Camden, has started a "big push" to reinstate the phonograph—or, more specifically, the combination radio-phonograph.

It is probable that its two principal competitors in this field—Columbia Phonograph Company and Brunswick Radio Corporation—also will be more active. Columbia is "independent"; Brunswick with Warner Brothers Pictures. These three most important factors in the "amusement industry" believe that, with technical improvements and simpler operation of the phonograph half and lower prices for the combinations, they can be made considerably more popular.

Before a "select audience of more than a hundred musical celebrities, prominent editors, educators and business executives," at the Savoy-Plaza Hotel in New York last week, RCA-Victor demonstrated a new record which carries a half-hour of music.

Unlike the small micro-channel record now used in the Hit-of-the-Week series of Durium Products, Inc., (SM September 12), the longer playing time is obtained not only by increasing the number of grooves on the surface but by cutting down the turntable speed more than one-half. Brunswick and Columbia also are said to be working on such a process.

The semi-flexible, unbreakable qualities of the Durium records also have been adapted by RCA-Victor in a new composition called Victrolac.

Phonograph ownership and operation now is not only a less annoying but a less expensive procedure. Carrying four times as much music, the new RCA-Victor records cost about one-half as much for the same amount of music.

Of equal interest is the fact that the company has reduced the bottom price of its combinations from \$285 for the 1930 models to \$114.50. There is no difference in the quality of the instruments, an executive of RCA-Victor told this magazine; the new prices are due to lower costs and to cheaper cabinets—and to the hope of achieving mass demand through an intensive sales and advertising campaign, in which sales promotion and direct mail material and newspaper and magazine advertising will be employed extensively.

Relegated by the radio in the last decade, the attempts of the phono-



*E. A. Nicholas, general sales manager, RCA-Victor Company, holding one of the long-playing records. Beside him is Victrola which (with the dog) became the "His Master's Voice" trade-mark; and one of the new radio-phonograph combinations which will sell for \$114.50.*

graph companies to stage a comeback through the introduction of combination instruments and the manufacture of portable machines have only been partly successful. Durium Products markets some 500,000 records weekly through newsstand, cigar store and other convenience outlets, but this company "deals" only in popular music. The end of the phonograph as a separate industry was emphasized by the merger in 1927 of Victor Talking Machine Company, for many years the leader in that field, with Radio Corporation of America into a combination with assets of \$120,000,000. Victor was slightly larger than RCA at that time, but the radio interests since have been in control.

NEW YORK—Richardson & Boynton Company, manufacturer of heating and cooking apparatus, has made an agreement with the Prudential Life Insurance Company which "protects and guarantees the complete cost" of installations bought on the instalment basis, "should death occur at any time before the last payment is made."

## No Promotion Needed for Rockefeller City; More Leases Pending

NEW YORK—"Advertising probably will not be needed" to rent the office, studio and store space in the \$25,000,000 "Radio City" project sponsored by John D. Rockefeller, actual construction work for which was begun this week, an official of the Metropolitan Square Corporation, the holding company, informed SALES MANAGEMENT.

The largest of the ten units of "Radio City" alone will have 500,000 square feet more than the new Empire State Building, which now boasts more floor space than any other office building. A quarter of the total space, however, already has been rented to Radio Corporation of America and affiliates, and negotiations are now pending for the rental of a thirteen-story department store and a club building, size undetermined. A Music Hall, a motion picture theatre and perhaps an opera house will be other units.

The entire project will not be completed until 1936. In the year prior to its opening, May 1, Empire State, Inc., spent \$150,000 in advertising in newspapers and in magazines.

In addition to a flood of articles in magazines, newspapers and business publications, it is believed that "Radio City" will be promoted on the air by National Broadcasting Company, and perhaps in other media, by RCA and RKO.

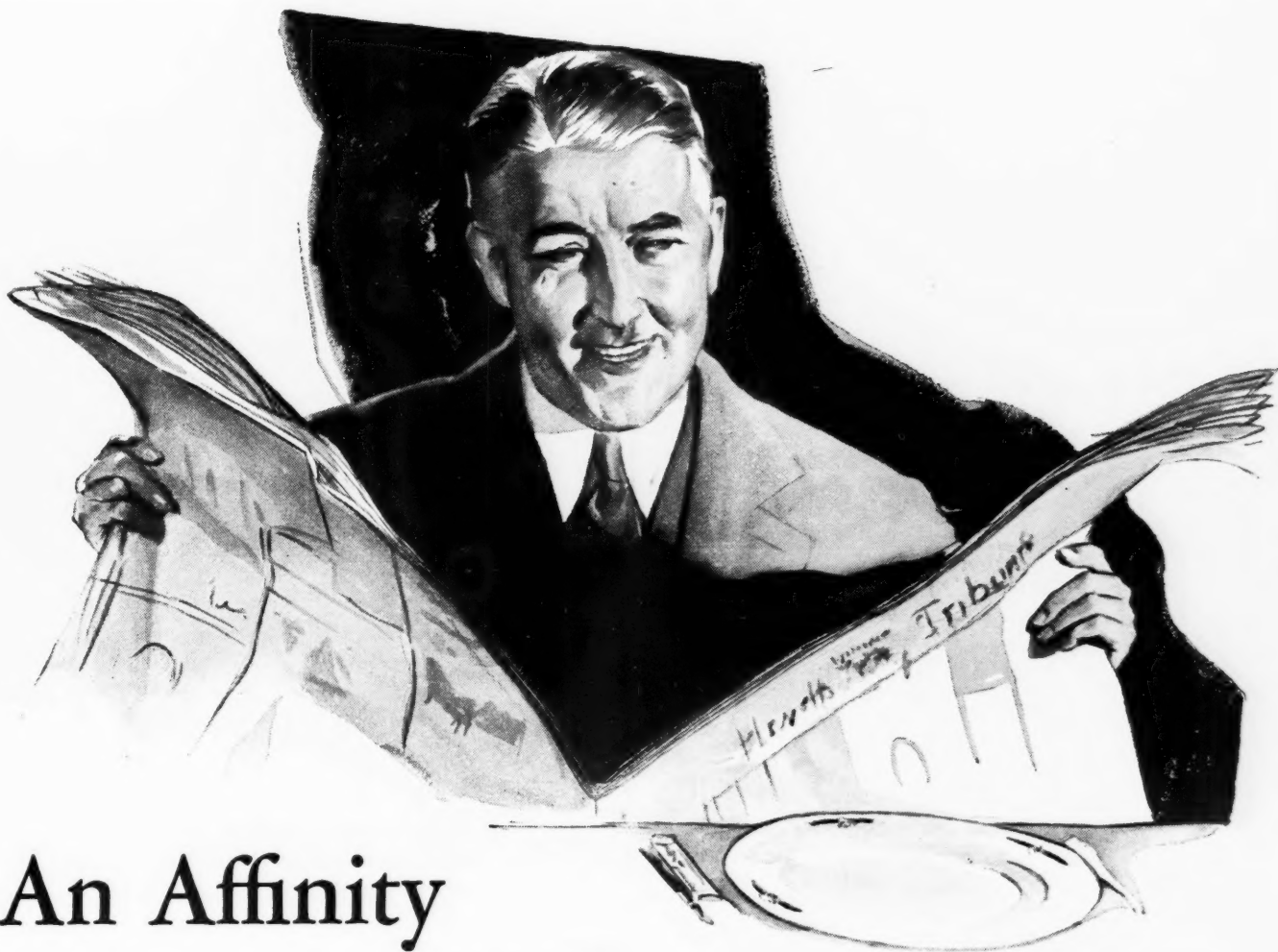
## G. E. Lamp Distributors Get Higher Discounts

CLEVELAND—"To provide a fair compensation to all classes of distributors, the Incandescent Lamp Department of General Electric Company here has adopted a new miniature Mazda Lamp sales plan which offers higher compensations and discounts ranging from 5 to 7.5 per cent above those formerly provided.

The plan applies to both Edison and General Electric Mazda lamps. It follows a twelve-months' survey of all phases of the business.

Besides offering the wholesaler full protection on stock on hand in case of list price reductions, it protects him against losses from obsolescence, fire and flood. It also frees him from investment charges on stock.

EAST PITTSBURGH—Roscoe Seybold, for four years general sales manager and more recently assistant to the president of Westinghouse Electric & Manufacturing Company, has been appointed comptroller.



## An Affinity for marmalade and muffins—

*... as well as a wide acquaintance with coffee and rolls.*

**T**he leisure to cultivate tastes, and the means to indulge in them, are not for everyone. Obvious? Old stuff? Then why, oh why, are so many products that run into money advertised to so many people who have run *out* of money?

Just how the above picture fits in with the American public as a whole, we can't say; but we know something about it in our own territory, the New York Market. Not just through income tax figures, either. We've been around personally counting these people at their breakfast tables. In fact, we visit them every morning—for we, too, confess a sort of affinity for marmalade and muffins, even though two-thirds of our good friends are content with coffee and rolls.

Actually the Herald Tribune shares the breakfast hour with 124,494 families in districts where incomes average above \$5,000—

and the breakfast half-hour with 193,175 families living where average earnings range from \$2,500 to \$5,000. That's nearly 20% of the highest income classification and 14% of the next highest.

Apparently many people who get along on less than \$2,500 haven't found time to cultivate a taste for breakfast news as we serve it, for only 5% of them read the Herald Tribune.

If you were selling cars priced anywhere between \$500 and \$10,000, where would you like to have your morning story percolate? Where could you most profitably concentrate your advertising?

• • •

*The New York Herald Tribune's total circulation is 303,154 on week-days; 448,175 on Sundays. (Publisher's statement to the ABC, March 31, 1931.)*



## Live Lobsters Now Sold to Large Customers on National Scale

GLOUCESTER, MASS.—The Consolidated Lobster Company, largest company handling this product, will soon become a "national" distributor and advertiser of live lobsters as the result of the success of a project to sell them by carload to jobbers as far west as Denver and Texas. About 20,000 pounds of them are now being shipped from the company's plant here daily. The lobsters are bought in quantity from local fishermen and placed in tidewater "pounds" at subsidiary plants along the northeast coast, where they are submerged in clear flowing sea water, fed and "rested" for two or three weeks before their journey tableward.

Nine vessels, a fleet of fast power boats and many trucks collect the lobsters from these plants and convey them to Gloucester, where they are packed in rockweed and ice in refrigerated cars.

The liver the lobster the better he tastes. The new methods of handling and shipping, an official of the company told this magazine, are changing lobsters from a seasonal to a year-round delicacy in inland cities. The Consolidated company expects that they will enable it to increase its annual volume from 6,000,000 to 10,000,000 pounds.

The advertising program, directed by S. A. Conover & Company, Boston, began with the mailing of several thousand letters to prospects. Advertisements have started in hotel, club and market magazines. Radio, national magazine and newspaper schedules may follow.

### *Store, for \$59, Offers "All You Can Wear"*

NEW YORK—"Come to Bloomingdale's Fifty-ninth Annual Fall Sale in Your Birthday Suit (Not forgetting the barrel, of course) And Go Home Fully Dressed!—For \$59," that department store here advertised this week in an effort to put over the "ensemble" and the combination deal ideas among men.

Customers may choose a two-trouser suit, topcoat or overcoat, a hat, union suit, necktie, pair of hose, shirt, pair of shoes, gloves, belt or suspenders, and a pair of garters—regular price \$100.90.



H. W. Hoover

## Demonstrations Are Key to Hoover Company's "Prosperity" Plan

NORTH CANTON, OHIO—"On to Prosperity" meetings have just been held by the sales organization of the Hoover Company, manufacturer of vacuum cleaners here, in forty-five trading centers throughout the country.

"The chief purpose of these meetings was to stimulate sales enthusiasm to the greatest possible extent," H. W. Hoover, president of the company, explained to SALES MANAGEMENT. "This was done by providing new information on the product and its potential market and on the ability of the public to buy as expressed by the number of savings account deposits in the banks of our country.

"Revised and strengthened demonstrations and sales closing arguments were presented, such as it was thought would best match today's conditions. The fact was emphasized that business today is sick, and we offered as business stimulants and tonics these various helps and suggestions, to do our part to help revive and bring business back to a more normal condition.

"We are driving for an increased number of demonstrations and the use of our revised and improved sales methods, all of which we feel will combine to produce for us results greatly in excess of those which we otherwise would receive."

ST. PETERSBURG, FLA.—The advertising committee of the local chamber of commerce here has appropriated \$50,000 for a national campaign in newspapers and magazines.

## National Motor Inns Will Establish Chain of "Super-Camps"

SAN FRANCISCO—National Motor Inns, Inc., has been established here to organize a chain of "glorified auto camps" along the Pacific Coast and ultimately throughout the country.

Three major units costing about \$200,000 each will be established soon in Sacramento, Santa Barbara and Los Angeles, and ten smaller units are now being planned.

Surveys for sites have already been made throughout the middlewest.

Each major unit will consist of a group of one- and two-story detached buildings, offering accommodations and garages for about 100 motoring parties. Dining facilities, lobby and lounge and business office will be provided for in an administration building.

The California adaptation of the Spanish type of architecture will prevail. All buildings will have hollow tile or cement block walls, tile roof, plastered exteriors, modern plumbing, heating and electrical equipment. Swimming pools will be included in some locations. At all units the landscaping will create a parklike setting. B. G. McDougall of San Francisco has been selected as the architect; George L. Leiter of Oakland will do the general construction work for the initial units, and H. C. Reid & Company, San Francisco, will install the electrical, plumbing, heating, etc.

The general offices of the company are in the Rialto Building here. Marvin Curtis is president of the company; Marvin Curtis, Jr., vice-president and assistant general manager; Carroll S. Bucher, vice-president and general manager, and Henry W. McClure, secretary and treasurer.

The new concern, in process of organization for the last three years, is incorporated under California laws.

## Manufacturers and Dealers Seek to "Control" Styles

NEW YORK—A "Board of Style Strategy" was inaugurated at a meeting of retailers and manufacturers at New York this week, under the auspices of the Industrial Council of Cloak, Suit & Skirt Manufacturers, Inc., the scope of which will be enlarged to include other branches of the women's apparel trade. The board will function as a medium through which will be announced fashion trends with the object of eliminating confusion and of relieving fears as to sudden style changes.



*These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.*

*Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.*

## Markets and Media:

*The Southwest Market.* Many of the marketing strategists who are now engaged in shuffling their distribution centers for more effective development of growing markets will want to study Industrial Dallas' timely contribution to marketing data. This is a handsome book of 145 pages devoted to the history, present status and potentialities of the Southwest. It presents population and county buying power figures, describes the manufacturing, warehousing, distributing, transportation factors and development tendencies which make Dallas a point to merit the most earnest consideration of the alert manufacturer. The chapter on Texas corporation laws is an unusual feature of the study, and an insert of four-colored state maps showing distribution of retail outlets, distribution of spendable money income, distribution of population and rail service from Dallas add to its value.

From  
Sales Management, August 22, 1931

# Dallas

Southwestern Headquarters  
to American Business



## Thank You, Sales Management!

Your reference to "marketing strategists who are now engaged in shuffling their distribution centers" is significant. During the last two years, when many branches were being closed in other sections, Dallas has gained more than 400—factories, warehouses, sales branches. And the movement goes on, with a gain of 168 for the first eight months of 1931.

The reasons are simple—new conditions have compelled executives to study their markets more minutely, and to rearrange their facilities to reduce distribution costs and maintain closer contact with major market areas. Much new market data has recently become available, all of it pointing to tremendous increases in population and buying power in the Southwest, and to still greater possibilities for the future.

"The Southwest Market" explains why Dallas has been chosen by more than 2,500 concerns as the location for their facilities to serve Texas and adjacent States. It is available, without obligation, to any interested executive. Write on your letterhead, or use the coupon.

### EXECUTIVE COUPON

Industrial Dallas, Inc.  
604 Chamber of Commerce Bldg., Dallas.

Please send free copy of your new book, "The Southwest Market," to:

Name \_\_\_\_\_

Company \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_



## "Buying" Helps not just binders



**S**INCE "buying" has so generally taken the place of "selling", it is more important than ever before that your salesmen be provided with binders and other helps that are designed to make it easy for the prospect to buy your particular product.

Pictured here is an excellent example of what we have in mind—a kit that makes it easy to buy a prominent oil burner. The binder is provided with an easel so that it can be used as shown or flat; the special binding mechanism assures perfectly flat opening of each page of the various bulletins. The case makes handling convenient and has pockets for circulars and other helps.

Our creative and merchandising staff has worked with many of the country's leading sales organizations in the development of binders that help the prospect buy. Tell us about your problem—you will find our recommendations constructive and economical.



Above—View of binder and carrying case showing pockets.

Below—Carrying case and binder closed.

**MICHIGAN  
BOOK  
BINDING  
COMPANY**

TEN TWENTY-SIX BEAUBIEN STREET  
DETROIT, MICHIGAN

## Regional Broadcasts and Rhyme Contests Help Hecker H-O

**BUFFALO**—A Westinghouse electric refrigerator is being given weekly to the person sending in the best rhyme, the first line of which is broadcast over the air in a series over the Yankee network, in New England, under the auspices of the Hecker H-O Company, Buffalo. In addition, the company is giving three cash prizes, one for each broadcast during the week, for the best letters on the advantages of Hecker H-O Oats, Hecker's Cream Farina and Presto Cake Flour.

In the rhyme contest each line must be written on the back of a package top of one of these products. As a result of the first two broadcasts, September 14 and 16, 457 rhymes were received.

The radio programs are promoted in newspaper advertising announcing the broadcasts, and also in the advertising of Westinghouse refrigeration division in that territory.

Hecker H-O has also inaugurated a series of weekly "surprise" broadcasts over stations of the Columbia Don Lee network on the Pacific Coast. No preliminary announcement of the theme or the guest artists is made. These programs are being promoted in Pacific Coast newspapers.

## Peck & Hills "Goes Retail" on Coast

**CHICAGO**—Peck & Hills Furniture Company here, operating some eighteen wholesale houses throughout the United States, has started also to sell at retail in its units on the Pacific Coast.

The stores involved are at San Diego, Los Angeles, Oakland, San Francisco, Sacramento, Fresno, California; Portland, Oregon; and Seattle. Those remaining wholesale are in Chicago, New York, Boston, Jersey City, Philadelphia, Denver, Houston, Dallas and Birmingham.

The company, which has been in business for thirty-five years, is a pioneer of the sample floor method of providing furniture dealers easy access to large stocks.

Jay C. Hills is president and general manager.

**NEW YORK**—For reasons of vanity and promotion, the Ever Ready Label Corporation here has devised a "Tel-Vision" stamp photograph of an individual printed on gummed paper, stamp size, which are furnished in perforated rolls of 500 each. They are to be used as a "truly personal touch to correspondence."

## Account Changes

**THOMAS LEEMING & COMPANY, INC.**, New York, Baume & Mercier, to Street & Finney, Inc., there.

**MELVILLE SHOE CORPORATION**, New York, Rival Shoe division, to Charles W. Hoyt Company, Inc., there.

**ROBERT BRAND & SONS COMPANY**, Oshkosh, Wisconsin, store equipment and fixtures, to Klau-Van Pietersom-Dunlap Associates, Inc., Milwaukee. Class and trade papers and direct mail.

**EMLONG NURSERIES**, Stevensville, Michigan; and **KALAMAZOO SLED COMPANY**, Kalamazoo, to MacDonald-Cook Company, South Bend. Farm publications for the former; boy's publications for the latter.

**OHIO PARTS COMPANY**, Cincinnati, to Charles H. Touzalin Agency, Chicago.

**HANES ASSOCIATED MILLS**, New York City, selling agency for Hanes Hosiery Mills Company of Winston-Salem, North Carolina, and Wilkes Hosiery Mills Company, North Wilkesboro there, to Fox & Mackenzie, Philadelphia.

**CORNELL, LINDER & COMPANY, INC.**, New York City, analysis, reorganization and advisory service to banks and industrial organizations, to Albert Frank & Company there.

**AMERICAN CRANBERRY EXCHANGE**, New York City, to McMullen, Sterling & Chalfant, Inc., there. Radio.

**BALDWIN PIANO COMPANY**, Cincinnati, Baldwin, Hamilton, Howard and Sargent pianos, to Anderson, Davis & Hyde, Inc., New York City.

**DAVIS BAKING POWDER COMPANY**, subsidiary of R. B. Davis Company, Hoboken, New Jersey, to H. J. V. Cowan Company, Inc., New York.

## Textile Forms "Merge" Export Operations

**NEW YORK**—The Manufacturers' Textile Export Corporation has been formed as a combination of the export departments of the Pepperell Manufacturing Company, Boston, and Wellington, Sears & Company, New York.

The officers are: H. L. Bailey, president of Wellington, Sears, chairman of the board; R. H. Leonard, president and treasurer of Pepperell, president; F. H. Hillery, export manager, Wellington, Sears, treasurer and general manager; C. A. Sweet and D. B. Tansill, vice-presidents of Wellington, Sears and Pepperell respectively, vice-presidents; and William deMin, export manager of Pepperell, sales manager.



## Gossip

... ARTHUR R. GRISWOLD has resigned as vice-president of McCann-Erickson, Inc., New York agency, to open his own advertising and merchandising counselor service in the New York Central Building there. Mr. Griswold joined the A. W. Erickson Advertising Agency (later the Erickson Company) about twenty years ago as a copy writer, later becoming office manager, and then devoting his time to account representative work.

... CONKLIN MANN, for the last three years head of Conklin Mann, Inc., advertising agency of New York, and previously with George Batten Company, has joined Erwin, Wasey & Company, Inc., there in an executive capacity. FRANK G. KANE and FRANK ORCHARD have also been added to the New York staff of that agency, the latter as an account representative. Mr. Kane, a former professor of journalism at University of Washington, more recently has been with Advertisers, Inc., and MacManus, Inc., Detroit agencies; Mr. Orchard has been a vice-president of Gardner Advertising Company, St. Louis.

... FRANK BLUMER, for some time with Meredith Publishing Company, Des Moines, and for the last five years with the Curtis Publishing Company, is now with the Griswold-Eshleman Company, Cleveland agency.

... R. SCOTT COCHRANE and C. A. WILHELMSON, San Francisco, have formed the Cochrane-Wilhelmson Company there; survey and analysis service.

... CARLYLE EMERY, formerly president of Emery Advertising Company, St. Louis, has been appointed district manager there for the Bureau of Broadcasting, Inc., Chicago, producer of spot programs. FRED BUTTERFIELD will assist him.

... DORSEY OWINGS, for the last five years associated with radio activities, has joined the New York office of H. W. Kastor & Sons Advertising Company, as radio director.

... HUNTER LYNDE has become vice-president and copy director of Associated Advertising Agency, Inc., Jacksonville, Florida. For the last two years he had been with Harry E. Burns Advertising Company there.

... O. V. HERSEY, in charge of direct mail activities for Sampson & Murdock, Boston, has formed Hersey Associates, Inc., there.

... HARRY H. PORTER, formerly with Porter-Spohn, Inc., Cleveland & Shaw, Inc., and Charles C. Green Advertising Agency, is now an account executive with Street & Finney, Inc., New York.

... LEROY FERRIS, who had been in charge of advertising for the Industrial Alcohol Institute, has been elected a vice president and will act as account executive with the Sacks Company, Inc., New York agency.

# Autopoint joins Yeast Foam sales force

*Northwestern Yeast Company one of  
hundreds of leading firms that build  
good-will with this famous pencil!*



**NEW!**  
A "non-slip" tip  
of black Bakelite  
makes Autopoint  
now a better pen-  
cil than ever.

LIKE other firms, Northwestern Yeast Company has always been on the alert to develop new ways of pushing sales. Quite striking testimony to Autopoint's versatility as a sales aid are the ways in which this manufacturer has utilized this famous pencil in his sales efforts.

Contacting wholesale grocers is one of the jobs delegated to Autopoint by the Northwestern Yeast Company. Says Thomas R. Hair, treasurer of the company: "The pencils were carried by our representatives and when they called on the wholesale grocers they would leave one or two with some of the officials or employees."

### To 4-H girls

Still another use of Autopoints by this manufacturer was in connection with visitors who visited the plant when in Chicago attending the live stock show. "Quite a quan-

tity of the smaller size or ladies' pencils we used as a gift to the 4-H girls who visited our plant," Mr. Hair said further. "The 4-H Club girls seemed to appreciate the gift very much indeed."

These uses are typical of the many that American business finds for Autopoint Pencils. Whatever your line, we are sure there is some one way at least in which they can do a good job for you. Let us help you find it.



### A tested sales plan

If you'll write us for it, we'll gladly submit a plan for your business based on our experience in recommending Autopoints for others. Just fill in, clip and mail the coupon, and this plan will be sent you. Do it today.

AUTOPOINT COMPANY  
1801-31 Foster Ave., Chicago, Ill.

SM 10-3-31

Without obligation, please send booklet, sales-building proposition, prices, etc., on imprinted Autopoint Pencils.

Signed.....

Business.....

Address.....

**Autopoint**  
The "Better Pencil" Made of Bakelite

### 3 Big Features

- 1 Cannot "jam"—protected by patent. But one simple moving part. Nothing to go wrong. No repairs.
- 2 Bakelite barrel, beautiful onyx-like, lightweight material.
- 3 Perfect balance—not "top-heavy."

Autopoint Co., 1801 Foster Ave., Chicago



## \$3,000 RING found in bath tub

THIS departing guest was frantic: A \$3,000 diamond ring lost—and he couldn't wait to look for it. With agony in his voice, he called the United Manager. Three hours go by. The guest has gone, but the manager is still on the job.

A wild idea—the Manager pokes a flash-light down the bath tub drain—there's a faint sparkle—plumbers arrive, the drain gives up a \$3,000 ring.

Another true story proving that United Managers do the impossible in finding lost articles. This extra service costs the hotel money? Yes, but what of it. Extra service is taken for granted at United Hotels, just like larger rooms per dollar—and handy garage accommodations.

*Extra service at these 25*

### UNITED HOTELS

NEW YORK CITY's only United . . . The Roosevelt  
PHILADELPHIA, PA. . . . . The Benjamin Franklin  
SEATTLE, WASH. . . . . The Olympic  
WORCESTER, MASS. . . . . The Bancroft  
NEWARK, N. J. . . . . The Robert Treat  
PATERSON, N. J. . . . . The Alexander Hamilton  
TRENTON, N. J. . . . . The Stacy-Trent  
HARRISBURG, PA. . . . . The Penn-Harris  
ALBANY, N. Y. . . . . The Ten Eyck  
SYRACUSE, N. Y. . . . . The Onondaga  
ROCHESTER, N. Y. . . . . The Seneca  
NIAGARA FALLS, N. Y. . . . . The Niagara  
ERIE, PA. . . . . The Lawrence  
AKRON, OHIO . . . . . The Portage  
FLINT, MICH. . . . . The Durant  
KANSAS CITY, MO. . . . . The President  
TUCSON, ARIZ. . . . . El Conquistador  
SAN FRANCISCO, CAL. . . . . The St. Francis  
SHREVEPORT, LA. . . . . The Washington-Youree  
NEW ORLEANS, LA. . . . . The Roosevelt  
NEW ORLEANS, LA. . . . . The Bienville  
TORONTO, ONT. . . . . The King Edward  
NIAGARA FALLS, ONT. . . . . The Clifton  
WINDSOR, ONT. . . . . The Prince Edward  
KINGSTON, JAMAICA, B.W.I. . . . . The Constant Spring



## 475 Companies Tell How They Are Adjusting Salesmen's Compensation

(Continued from page 13)

Salesmen for the Imperial Desk Company, Evansville, Indiana, work on straight commission, with a few of them allowed drawing accounts. No revisions have been made here, according to Robert C. Hamilton, sales manager. "Our theory," Mr. Hamilton told SALES MANAGEMENT, "is that aggressive selling was never as essential as it is at the present time and we have been reluctant to discourage our men with a reduction in commission rate. It is difficult enough for a good salesman to maintain his income under present conditions, even at the old rate of commission, and because of the urgent necessity of sustained effort on the part of the men in these trying times, we are not in favor of reducing income, as long as selling expense is not out of proportion to gross sales."

Carl B. Sommer, president, The Majestic Manufacturing Company, of St. Louis, is another proponent of the no-cuts policy. All of his men receive a \$150 a month salary and commission. Commissions have undergone a reduction through reduced volume, but salaries have not been changed. "We will need these salesmen some day soon," Mr. Sommer comments, "and by having treated them fair now, they will be loyal producers later."

Mr. Sommer's observation suggests that sales executives who have not thoroughly considered this angle might well ask themselves, "Will it pay us to hold some of our best men as an investment in man-power for the future, or would we rather, at a later date, have to incur the trouble and expense of training new men from the ground up?"

An interesting slant along this line of thinking comes from the vice-president of a big Connecticut manufacturing concern. He says: "I believe the average business man in the present crisis sees no way out except by slashing prices on the goods he sells, and slashing the income of people producing and selling the goods . . . my reaction is different. I am trying not to do this. On the other hand, I am trying to increase the efficiency and the income of salesmen and to that end have inaugurated a scientific school for salesmen. I intend never again to put on a salesman for this company who is not a graduate of this school. In other words, we are willing to spend more money at the present time, rather than less, to increase the efficiency and

the income of our salesmen rather than trying to find ways and means for cutting down their income."

When we come to the subject of changes being made in basic compensation plans—that is, changes in the method of payment as opposed to changes in the rate of payment under established systems—we find the incentive factor to be a prime consideration in the majority of cases.

A number of firms have reduced salaries (or eliminated them) but increased the rate of commission. Such a plan has been successfully put into operation by the Diamond T Motor Car Company of Chicago, according to E. J. Bush, vice-president and sales manager. In discussing recent changes made in their salesmen's payment plan, Mr. Bush said: "We have made several changes in our methods of compensating our salesmen, with the idea, first, of eliminating the non-producer; second, bringing home to each man in an emphatic manner the fact that we are going through a period of readjustment and the utmost efforts are essential on the part of all salesmen."

"On April 1 of this year, with all of our wholesale salesmen, we reduced salaries 10 per cent, did not change the commission schedule and checked expense reports more carefully."

"With the retail salesmen in our various branches we adopted more drastic measures. We changed their basis of compensation from salary and commission to straight commission basis, but with drawing accounts. In most cases the size of the drawing account was reduced as compared with the salary which we had heretofore paid the salesmen. We eliminated allowances for gasoline and oil, which we had given along with the salaries. To compensate for this, we offered a more liberal commission basis. In other words, we reduced the amount of cash outlay each month, but at the same time we offered the salesmen an opportunity to make more money per truck than we have ever offered at any time in our history. We furthermore put a rule into effect that any salesman sixty days behind in his drawing account is automatically dropped from the payroll."

"I believe that all of the above measures have been effective, but on the other hand have had splendid cooperation from our men as appreciating the necessity for harder work on their part



and a more economical method of compensation during this period."

An electric appliance firm, operating only in Chicago and the vicinity, has not reduced salaries, but has increased commission on some items and has offered a more attractive bonus for reaching quota. Only about 10 per cent of this company's force, however, operates on salary—that amounting to \$100 a month; these men get a commission that averages about 8 per cent on sales. A few other salesmen receive drawing accounts and the remainder operate on straight commission. A group of retail salesmen operating through certain retail stores receive a salary of \$100 a month, and a sliding commission on monthly sales in excess of \$2,000. This plan has worked out very satisfactorily, the company reports, with a marked increase in sales made by these men.

The Perfect Circle Company, of Hagerstown, Indiana, is one of the companies that has established a new record for earnings this year (\$494,661 for the first six months of 1931, as compared with \$368,057 for the same period in 1930). They have not changed drawing accounts, salaries or commission, but have made it possible for their missionary men to earn more through increasing the per cent of their annual bonus. "This feature is in part responsible for our record-breaking sales and earnings this year," reports Don H. Teetor, manager of replacement sales.

Companies that have the problem of writing off overdrawn accounts on the part of their men will be interested in the measures adopted by the Rex Leather Goods Corporation of New York. Every one of their men has overdrawn during the past eighteen months. Their plan was, therefore, changed along the following lines: while on the road (about twenty weeks) the men receive their usual drawing account. While off the road they receive one-half of the usual amount. Twenty-five per cent of each man's commission earnings are credited to the overdrafts. "Every man has stuck with us," says G. Goldstein, sales manager, "and eventually we expect that all overdrafts will be paid up. A few of the men have found non-competing lines to carry with ours. We have increased our commission on lower-priced items to help the men, regaining our share through increased new business and bigger volume."

(Details of the way a dozen other companies have changed compensation plans to meet new conditions, what changes are being made in territories and various plans currently being used to give salesmen a share of the profits are some of the subjects to be covered next week.—THE EDITORS.)



**THE PRESTIGE REMAINS  
LONG AFTER THE EVENT  
HAS PASSED**

## SEND *Genuine Engraved Business Announcements*

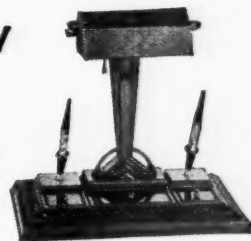
**A** CHANGE of address. An important addition to your personnel. A new model. A convention or exhibition. These and similar occasions require announcements to your customers and business associates. And to make the event truly impressive—Genuine Engraved Announcements.

You instinctively respect the message that is *genuine engraved*. So, too, will those who receive your message. A trifling extra amount gives you this prestige—prestige that will remain long after the event has passed.

The steel and copper-plate engraver offers you the widest selection of designs to suit every need. Color, too, to add charm and distinction. Call him in for counsel.

### VALUABLE AWARDS • YOU MAY WIN

The most distinguished Genuine Engraved Announcement will receive this \$100.00 Parker DeLuxe Desk Set, as FIRST PRIZE. Two other trophies for second and third prizes; similar awards for Genuine Engraved Letterheads, Business Cards and Christmas Cards. See your E. S. M. A. engraver for entry blank. Write for list of E. S. M. A. members in your city. Contest closes Dec. 31. Engraved Stationery Manufacturers Association, 250 W. 57th Street, New York.



**THE MARK OF ENGRAVING**  **MEANS GENUINE QUALITY**

**Now Ready!**

## Population Studies

of Principal Markets and Their Tributary Areas

in book form, bound in heavy cardboard covers. In quantities of ten or more \$1.50 each. Single copies, \$2.00. Check must accompany order.

**SALES MANAGEMENT**

420 Lexington Avenue

New York, N. Y.



# Editorials

**PREDATORY ADVERTISING:** An outbreak of price-warfare advertising among New York department stores has called forth a sharp rebuke from the local Better Business Bureau. The objection is to attempts to create the impression that the advertiser's prices are always lower prices for the same or comparable merchandise offered elsewhere. These claims, the bureau declares, are usually untruths or half truths, in fact, and in the very nature of the case cannot be otherwise. Such methods of attracting trade, it adds, are unsound and in the long run inimical to the public interest. They are an open attack on the integrity of advertising. . . . We do not know what basis there is for the bureau's assertion that it possesses ample facts, resulting from investigation in recent months, to justify this plain statement. But we are convinced that practices of the sort described are harmful from every point of view. Increased volume obtained in this way is deceptive because it rests on a foundation of sand; the more customers it attracts the greater the danger of impairing good will in the community served because of the certainty that ultimately the truth will be discovered; and the oftener this happens the more numerous will become those who take advertising with a grain of salt. In the end, if this sort of thing goes on, sales promotion will rise in expense and decline in efficiency with effects injurious to distributors as well as to consumers. . . . Wrong in many of its details as carried out, the underlying idea is manifestly absurd in principle. For it rests on an assumption of exclusive merits which in highly competitive conditions cannot be maintained. Predatory advertising is no better than predatory price-cutting. It is a delusion and a snare.

**BRITISH INFLATION:** Much is heard these days of price-inflation in Great Britain as a sequel to depreciation of the pound. It is an alluring prospect. Incidentally, some of our producers are complaining that their protection against cheap-labor British goods is losing its effect because of declining valuations, and already importers here are said to be increasing their orders in England. . . . No one will grudge the English any sweets they may find in the uses of their adversity. But only callow observers will see enviable benefits in the British expedient to meet an emergency. Price-inflation that comes with a debased currency is anything but a blessing, a fact which no one knows better than the advisers of the present British government. They may not be able to restore the pound in the near future. That depends largely on British foreign trade and business con-

ditions. For the same reason they may not be able quickly to recover for England her place among the gold standard nations. But there is not the slightest reason to doubt that they will do everything in their power to re-establish the old order as soon as possible. Neither Germany nor France let its currency go to pieces voluntarily, and it would be difficult to prove that either gained by the operation except by impoverishing its creditors.

**THE INDEPENDENT DEALER:** An extensive survey of retail stores in this country confirms the belief, frequently expressed of late, that competition of the chains and the present adverse conditions have spurred the independent dealers to improve their efficiency to such an extent that an increasing number of them are holding their customers and enlarging their business. The survey was made by J. K. Fitch of the Fitch Publishing Company, financial statisticians, who says it covered 1,300,000 outlets. . . . Mr. Fitch admits that the chain has been a large factor in achieving lower costs throughout the whole mechanism of distribution. This has involved elimination of incompetent retail stores individually owned. But he finds that it has taught the survivors, especially under present conditions, the necessity of keeping inventories under control and so reducing to a minimum the lag between the lowering of raw material prices and the reduction of retail prices. . . . As long as the independent dealers as a class sought support on the ground of mere sentiment and statements of doubtful validity their power to hold their own against the force of mass distribution was questionable. Economic competence to serve the public will always be the determining element, in spite of sympathy for those who struggle in vain because of inability to satisfy public demands. The strength of the chains which gave them their phenomenal growth after the war came from their ability to do a better job than the independents as a whole. Now that the independents are finding justification in intelligent work for themselves rather than in appeals for help at public expense, their place is gaining importance once more in the scheme of distribution. The United States, we need hardly add, has every reason to congratulate itself on its secure position as a gold standard nation. This country may be able to help other countries in their efforts to regain their gold footing. It has selfish reasons for doing so. It has no reason for encouraging false doctrines growing out of conditions from which it has had the good fortune to be withdrawn. We want higher prices, but not the inflation of a morbid state.

## Timken-Detroit Develops a Better Sales Kit

(Continued from page 18)

Mr. Crawford told an interesting story of how the material was produced at surprisingly low cost. First they wrote the copy and had a printer set it up and furnish proofs, then they had an artist make the sketches on art board. This done, they cut up the lines of copy and pasted them on the boards, one board for each page, fitting the lines of type in to balance up the page neatly and making such changes as were necessary. Half-tones were stripped in. When this was completed, each piece of art board bore everything that was to appear on that page of the presentation. It was then reproduced entire by means of the photo-lithographic process.

In preparing the manual the copy was typewritten, the pages of the portfolio tacked on the wall and photographed, and the whole result, copy and miniature pages of the presentation, was reproduced by photo-lithography.

A local bookbinding concern furnished the binder and carrying case to order.

Those who see the complete sales kit commonly estimate its cost at several times the actual amount.

During the third week in July sales conventions were held in several cities and the new sales kit was presented then. The presentation was made by outlining to the salesmen first the kind of sales story they had asked for, illustrating this with photostat enlargements of pages of the portfolio, stressing the fact that this was a stronger presentation than either the management or the salesmen alone could make and that it was their story under the Timken name. Then when interest and curiosity were aroused to high pitch, the new sales kit was introduced.

According to Mr. Crawford and to E. V. Walsh, general sales manager, the new help has been accepted with unprecedented enthusiasm on the part of the salesmen. It is furnished free to the nearly 500 salesmen employed by factory branches. One is furnished gratis to each dealer and dealers are permitted to buy others for their salesmen at somewhat less than cost.

INDIANAPOLIS—Emerson B. Knight, Inc., of Indianapolis, has changed its name to Market Research, Inc., better to emphasize the scope of its work. Although no major executive changes are involved, personnel and plant equipment have been enlarged. F. W. Crankshaw, formerly of Amos Parrish, will have charge of department store activities.



## FAIRCHILD MERCHANDISE COSTUME STYLISTS

**T**HE lack of the modern note is slowing up the selling of many a meritorious article of long and high standing.

Modernizing a package presents a problem not only to the artist... there's a big research job necessary before the creation of a new design is begun. Fairchild first makes a careful analysis of marketing conditions, competitive products and their packages. Backed by an art staff devoting all of its talents to package styling, Fairchild has produced many strikingly new and practical designs.

If your product deserves increased sales, write E. E. Fairchild Corporation, Studio K, 200 Fifth Avenue, New York City.

## E. E. FAIRCHILD

CORPORATION  
ROCHESTER NEW YORK

*Merchandise Costume Stylists*

There is no  
substitute for the  
sales making power  
of Star-Telegram  
advertising in  
Fort Worth and  
West Texas

**FORT WORTH STAR-TELEGRAM**

MORNING

EVENING

SUNDAY

AMON G. CARTER

A. L. SHUMAN

President and Publisher

Vice-President and Adm. Director

**LARGEST  
CIRCULATION  
IN TEXAS**



# WMAL

On the  
Air  
17  
Hours  
Daily

## WASHINGTON'S

Individual per capita wealth is ahead of the National average.

## WASHINGTON'S

Spensible income is the second highest in America—\$1,428 per capita.

## WASHINGTON'S

Buying public is the most intelligent in America. Washington has less than 1/2 of 1% of illiterate population.

Fre-  
quency  
630  
Kilo-  
cycles

## CAPITALIZE YOUR ADVERTISING

Located in the capital of the Nation, Station WMAL is the Washington station of the Columbia Broadcasting system. Equipped with Western Electric double turntables for spot broadcasting of transcription programs.

"Broadcasting the better things in and for Washington"

## The A Hotel Ambassador

The smart shops, theatres, art center, business, financial and professional districts are reached quickly and conveniently from The Ambassador. It is in the Social Center on one of the world's most famous thoroughfares.

**NEW YORK**  
PARK AVENUE  
AT 51ST STREET

It's the package  
your customer  
buys

THAT'S heresy to every manufacturer of a fine product. But think a moment. It's the package your customer sees. It's the package that reflects the quality of the product within.

For more than 54 years U. S. has been making the labels for hundreds of American Industries. We know what makes a good label—from the standpoint of the sales and production managers, but above all from that of the customer.

Get this experience in your labels either direct or through your advertising agency.

THE UNITED STATES PRINTING  
AND LITHOGRAPH CO.

Cincinnati Baltimore Brooklyn  
Service offices in 16 cities

These most valuable booklets of the week will be sent free to executive readers who make a separate request for each one on their business letterheads. Booklets will be mailed by the companies which publish them.

Address SALES MANAGEMENT, Inc., Reader's Service Bureau, 420 Lexington Avenue, New York.

## Agency Service

*Industrial Advertising Agency Practice.* When the sixteen-year-old Edwin Bird Wilson advertising agency decided to branch out into the industrial field, its motives couldn't have been mercenary, for, of course, radio and big circulation media are a much more fertile source of revenue for an agency than business papers and sales promotion. But E. B. W. had a firm conviction that industrial advertising was a force so valuable to manufacturers that it could not long escape the profit that accrues from building resultful advertising for clients. This booklet describes what an industrial advertiser may expect to get for his money in the way of service from the agency: campaign planning, cost budgeting, field investigations and publication knowledge, fresh viewpoint, inspired copy-writing, expert marketing counsel, production of direct advertising, sales manuals and printed literature, news publicity. Methods of procedure in each of these departments of service are described. For instance, you are told how they would set about the business of studying the market for a particular client. There is a list of present clients and background histories of the staff men handling the work.

## Printing and Paper Stock

*Westvaco Inspirations for Printers No. 67.* The West Virginia Pulp & Paper Company has done itself particularly proud in this European Edition of *The American Advertiser Abroad*. This time the divers handsome paper stocks offered by Westvaco (Westmont Enamel, India, Marquette Enamel, Inspiration Super, etc.), are the vehicles for the far-flung foreign advertising messages of such companies as Frigidaire, Beechnut, Kellogg, Studebaker, etc. Whether you're interested in advertising, art or effective foreign merchandising, you'll find this number of the "Inspirations" true to its titular promise.

## Markets and Media

*Chicago Tribune Book of Facts, 1931.* One of these days not long hence Walter Mann will dip into this fat book of 166 pages and treat the various chapters of its contents in his S. O. S. column with the thoroughness they deserve. But until then, we want to say that it does a good job of what it establishes as its *raison d'être*: "To enable the manufacturer, the wholesaler and the retailer achieve volume sales at low cost is the purpose of the Chicago Tribune and the reason for this book—the Book of Facts."

NEW YORK—Edward H. Schulze and Allen B. Benedict have organized Schulze & Benedict, sales counsel, at 150 Broadway, New York.



## Builds Million Dollar Hosiery Business

(Continued from page 22)

spring catalog as its source of copy information, cuts, etc. So effective was this advertisement, combined with customer and salesperson promotion, radio, window and department displays, that the manufacturer's re-orders exceeded \$3,000.00 in one week. Reprints of this ad were mailed by Mr. Tobin to his active and "prospect" list as an example of how they could use the spring catalog to promote sales. Stores like Miller & Rhoads in Richmond, Virginia, reproduced Filene's cuts, a "repeat" and reprint three times removed from the original catalog.

The pages of the K. T. C. booklet "told" and "sold" the retailer so effectively that he repeated its illustrations in his own advertising to the consumer, an exceptional achievement and twofold result for a catalog planned primarily to sell the dealer. With his keen merchandising foresight, Mr. Tobin brings out new hosiery styles every two or three months. These are also merchandised to the dealer by direct mail with very satisfactory sales results. Bassonni halftones reproduce perfectly the characteristic weave of the new mesh, telling the buyer what she needs to know about the new number in comparison with other styles already in her stock. Copy and layout vary according to the season of the year. "Waffle," an original K. T. C. hosiery design introduced in May, tied up with the opening of the racing season and spectator-sport clothes. A four-page leaflet, done in water-color printing with a cover cut-out, featured "Venise" in June, "pulling" \$3,000 in orders, within five days after mailing, and opening thirty-one new accounts.

### Mansfield Tire Independent

Within the last year the United States Tire Company acquired the contract held by the Mansfield Tire & Rubber Company with Montgomery Ward & Company for the manufacture of tires for this mail-order concern. In the tire industry the impression prevailed that Mansfield had thus become a subsidiary of the United States organization. This explains the statement to this effect appearing in the August 29 issue of SALES MANAGEMENT. The Mansfield company, we are reliably informed, is entirely independent of any connection, financial or otherwise, with any other company.

### New Spencer Boiler

WILLIAMSPORT, PA.—A combination coal and gas boiler for home heating has been developed by the Spencer Heater Company here, subsidiary of Lycoming Manufacturing Company.

# HELP

for Advertising and Sales Managers !



HURON, S. D., is typical of the 1,300 small towns which trained men from our Dealers' Service Department visit to interview merchants for market facts.

## Facts on How Your Today's Market Differs from Yesterday's

A manufacturer of a line of building material wanted to know the attitude of Northwest lumber dealers toward his product—were they pushing his brand or some other kind? He asked us to get him the facts. He got them.

Trained men from our Dealers' Service Department made a cross-section survey for him through actual, non-biased interviews with dealers. They have found the answer to special problems of any number of manufacturers in this territory. They can perform a similar service for you.

Northwest dealers are naturally partial to products preferred by their farmer customers from whom they get 65 to 85 per cent of their business. THE FARMER, the home paper of the farm, reaches more homes (272,000) than any publication, regardless of type, in the territory. Market research facilities are available at request.



New York—Wallace C. Richardson, Inc., 250 Park Avenue  
Chicago—Standard Farm Papers, Inc., Daily News Building

Member Standard



Farm Paper Unit

## Media

W. L. Davidson of *Household Magazine* thinks that space representatives should park the morning paper in the most convenient ashen before they report for work—and that there's too much idle talk about stock market lows, German bonds and incidental bank failures going on between buyers (sic) and sellers. The other day he expressed himself in choice English on the subject to one of his friends. Here are a few excerpts:

"Between the hours of 9 a.m. and 5 p.m. I have only one job, and that is to sell as much of my product as possible, and I don't believe for one minute that I can do it by talking depression, by talking bad times or by talking panic.

"I do believe I can do it by spending these eight hours in seeing just as many important people as I can see and in telling them, in the strongest possible language I can muster, everything I know about my product and the use it can be to the man to whom I am trying to sell it.

"There never was a time when individuals and companies were racking their brains and staying awake nights trying to find new products which would be more useful to them, for more uses than the products which they are already buying. There never was a time when an intelligent salesman was more welcome in any office into which he cares to go. There never was a time when competition was less keen, because probably most of our competitors are sitting around waiting for good times." Dave's methods and the way his men pull together have won for *Household* the enviable record of showing a steady gain in advertising lineage every year for five years—and through October this year.

\* \* \*

From ploughboy to vice-president of National Broadcasting Company—that's the history of Roy C. Witmer, also in charge of sales. John F. Royal, another recently promoted to the vice-presidency of NBC, once ran around as a copy boy on the *Boston Post*. He now arranges the NBC programs.

\* \* \*

Modern Magazines (*Modern Screen*, *Modern Romances*, *My Story*) believe they hold the all-time record for low page-cost-per-1,000 in the entire field of white paper, non-farm magazines in the million-and-over circulation class. (It's \$1.30.) Before trumpeting the news, however, H. B. Clemenko of Modern Magazines invites friends and foes to come forth with contradictions (or forever hold their peace).

\* \* \*

Industrial Publications, Inc., have on their staff a smart young man, by name, H. B. Jones, who was the author of a promotion mailing that's flip, but original withal. The letter starts this way: "Here is our new calling card. We admit it's a put-up job—to illustrate a point." (Calling card three-quarters by one and one-quarter inches attached.) Mr. Jones' point is that baby budgets are about as foolish and ineffective as baby calling cards—and a lot less innocuous economically! And after catching and holding our attention, he reminds us that many an executive who knows the difference between true and false economy, is proving that increased advertising will

actually more than pay its way right now.

\* \* \*

Other manufacturers might take a tip from the enterprising Kuppenheimer outfit who are servicing their dealers with an assortment of advertisements that is stimulating them to double-quick effort. There are 107 ads in the collection, and dealers who have the advantage of being able to place their advertisements in newspapers with color service have color ads at their disposal.

If you're an ad-man you'll want to go after your local merchant for this campaign.

\* \* \*

Just about any other October the National Chain Store Association would be throwing a great convention, but something upset the appellation this year and it decided to stay at home. Whereupon *Chain Store Age* rose to the occasion by devoting its October issue to the staging of a stay-at-home convention. It features an address by Albert H. Morill, president of the association and of the Kroger Grocery & Baking Company; the

annual report of Robert W. Lyons, executive vice-president of the association; a contribution by Hubert T. Parson, president of the F. W. Woolworth Company, and numerous speeches and discussions by other leading chain store men scattered over the country.

\* \* \*

Tune in on WABC any Tuesday or Sunday from 9.30 to 10 p.m. and you will hear a strange, new type of entertainment being offered by Scott's Emulsion. Just as their familiar oil-skinned fisherman spells "Scott's" to most of us, so it is calculated that these "Sea Romances" will create a deep-sea atmosphere unmistakably to be associated with the rigor and hardship that is still part of the job of collecting precious fish-oils. The program sounds exciting as a whale-hunt—"The Flying Dutchman," "Treasure Island," "The Curse of the Pearls,"—all dramatized against a background of symphony.

We've an important engagement with the dial on the night of October 4, thank you!

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display

Cash Basis Only. Remittance Must Accompany Order

### POSITION WANTED

DISTRICT MANAGER OR SALES MANAGER available for high class specialty product—Middle West.—Until recently connected with nationally known high class specialty corporation as District Manager, calling on jobbers and chain organizations.

Former position consisted of merchandising products—holding sales-meetings—arranging sales contests for jobbers—working with our own salesmen—checking results and helping them to sell.

My age is 35 years, married, am willing to accept any assignment of territory as long as position shows possibilities.

Reference and history will be furnished gladly on interview or by letter. Box 320, SALES MANAGEMENT, 333 N. Michigan Ave., Chicago, Ill.

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years

salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis, 10 years Sales Promotion Manager, Larkin Co. James C. Johnson, 119 Woodbridge Ave., Buffalo, N. Y.

### EXECUTIVES WANTED

SALESMEN—SALES MANAGERS WANTED. The classified columns of the New York *Herald Tribune* contain opportunities for sales positions every morning. Follow the Want Ads in the *Herald Tribune* if you are looking for a position.

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-one years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

## Extra Copies

If you want extra copies of this issue please order promptly, as our supply is frequently exhausted a week after date of issue.

## The Gasoline Retailer

40,154

54 West 74th Street  
New York City

Gasoline Filling and Service Station Subscribers

## 1872 to 1931

Interesting, Informative

## CHART

(Size 9 x 23)

showing fluctuations of the general level of Industrial Stock Prices on the NEW YORK STOCK EXCHANGE for the last 59 years

This entirely new chart, clearly showing all Bull and Bear periods, highs and lows, and per cent of changes, will be mailed post free by:

INDEX NUMBER INSTITUTE

(Founded by Irving Fisher)  
New Haven, Conn.

TORONTO  
HAMILTON  
HALIFAX  
MONTREAL  
LONDON, Eng.

"GIBBONS KNOWS CANADA"

J. J. GIBBONS Limited, Canadian Advertising Agents

WINNIPEG  
REGINA  
CALGARY  
EDMONTON  
VICTORIA  
VANCOUVER



OCTOBER 10, 1931

OCT 11 1931

The Weekly Magazine for  
**MARKETING EXECUTIVES**

# **SALES** *management*

**What's Holding Back  
Prosperity? . . . . .**

**Salesmen Reach 250%  
of Quota in General  
Electric Drive . . . .**

**Bank-minded Sales  
Managers vs. Sales-  
minded Bankers . . .**

TWENTY CENTS



# It's Easy to Pick the Right Newspaper in New Orleans

SELECTING the best medium in New Orleans presents no problem to the advertiser who is at all acquainted with the situation. One newspaper, The Times-Picayune, stands head and shoulders above its competitors on every count—circulation, prestige, service, advertising volume, and results.

The Times-Picayune affords the most effective and most economical way to reach and sell the rich New Orleans market. It offers more circulation (more city, more home delivered, more

suburban, and more total circulation) in New Orleans and its trading area than any other newspaper, daily or Sunday. No other newspaper even approaches its coverage of the average and above average income districts. It publishes more news, more features, and carries more advertising than any other New Orleans newspaper.

Readers and advertisers alike prefer The Times-Picayune by an overwhelming majority. The reason is simple and powerful: The Times-Picayune serves them best.

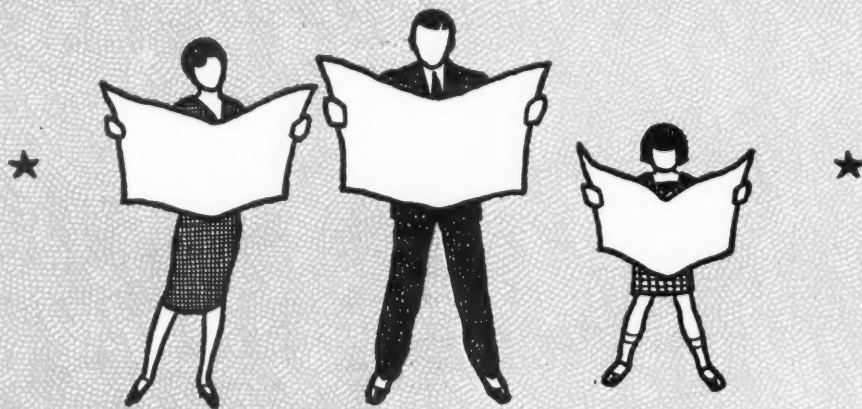
## The Times-Picayune NEW ORLEANS

Member Associated Press.

Member Major Market Newspapers, Inc.

Representatives: CONE, ROTHENBURG and NOEE, INC.

Pacific Coast Representatives: R. J. BIDWELL CO.



**--NEW ORLEANS IS A TIMES-PICAYUNE TOWN!--**

# To an Executive who has earned \$6,000 a year

**A**LONG the route of a business career, nearly all men get stalled temporarily at some point.

After going ahead nicely for a few years, passing milestone after milestone of salary increases, they suddenly find themselves "brought up with a short turn."

For most men, this occurs at about the \$100-a-week or the \$6,000-a-year mark.

What is there about round figures like these that buffalo good men and stops them from going on and up?

Two types of men can answer that question.

One type might say: "Six thousand a year is my goal. It's a good income—much better than average. I'm satisfied."

The second type will answer: "Two years at the same salary! Me! That will never do. I've run myself out of gas, and now I'm due to get the tank filled. It simply takes *more power* to go on from here."

If you are one of the latter type, this page is addressed to you. What will give you the added power to go forward?

More knowledge? Yes—but not mere *volume* of knowledge. You might easily spend years increasing your store of knowledge, yet not affect your income in the slightest.

What you need is a *definite kind* of knowledge that will help you to meet conditions as they are today. Business today is entirely different from business ten, or even five, years ago. The old rules no longer work.

To progress beyond the \$6,000 mark you *must know the new rules*. No matter what your job, you must have an understanding of the new influences that are at work everywhere. There is a new sales strategy, there are new production methods,

a new export situation, new methods of determining security prices, a wave toward big consolidations—in short, a new era of business.

## *How can you get this new equipment?*

Many men in precisely this situation are finding the answer to their prob-

## WARNING

*The next 5 years offer more opportunity for profit—and more danger—than any similar period in a generation*

lems in the Alexander Hamilton Institute's new Course and Service. This Course, new from start to finish—so new, in fact, that the latter part is barely off the press—is abreast of modern business down to its final detail.

In order to make the Course as sound as it is up-to-date, we have enlisted today's foremost leaders in many fields of business as contributors. Among them are:

ALFRED P. SLOAN, JR., *President*, General Motors Corp.; FREDERICK H. ECKER, *President*, Metropolitan Life Insurance Company; HON. WILL H. HAYS, *President*, Motion Picture Producers and Distributors of America; DR. JULIUS KLEIN, *The Assistant Secretary*, U. S.

Department of Commerce; DAVID SARNOFF, *President*, Radio Corporation of America. And many others.

Can any ambitious man fail to get something of value from contact with minds like these? Here are a few examples, selected from many hundreds, showing how this organized knowledge is translated into added earning power:

CASE 1. Works Engineer, salary \$6,000; now Vice-President and General Manager, salary \$18,000.

CASE 2. Local Manager at \$5,200; now Regional Manager, salary \$15,000.

CASE 3. Production Manager, salary \$6,000; now President, salary \$21,600.

## *We invite you to send for the facts*

The facts are contained in a booklet entitled "What an Executive Should Know."

It should be read by every man who is near that hazardous stage where men either stop or go on up, according to their own decisions.

This booklet is well worth half an hour of your time. Many men have said that in 30 minutes it gave them a clearer picture of their business future than they ever had before. It discusses *your* next five years in business clearly and helpfully. It contains the condensed results of 20 years' experience in helping men to forge ahead financially. It is interesting from the first page to the last.

This booklet costs nothing. Send for it.

To the Alexander Hamilton Institute, 538 Astor Place, New York City. (In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Building, Toronto.)

Send me "What an Executive Should Know," which I may keep without charge.

NAME.....  
BUSINESS ADDRESS.....  
BUSINESS POSITION.....



## FREE TO TRAVELERS

*Mail coupon for  
valuable credit  
coin*



*To help you*, cash checks in the 24 United Hotel Cities. This coin instantly establishes your identity... avoids delay in checking out. No one else can use it.

*To help your Wife or Mother*, when they travel alone. Women need United Hotel Credit Coin protection. When necessary to charge hotel services, this coin is the quick way to establish identity. Made of dull silver... fits change purse or key ring.

*To help your Business Associates*, save time when stopping at United Hotels. They can avoid check-cashing delays with this coin. 4165 executives enjoy its convenience.

*Mail Coupon Today*. Secure this extra service for yourself and others. There is no charge for issuing or using this coin.

### UNITED HOTELS

## Survey of Surveys

BY WALTER MANN

### Does Radio Sell Goods?

Bolder and bolder becomes radio, as it emerges from the shy anonymity of its earlier claims as a "secondary medium." Born to bask only as a medium for "name publicity," it now comes right out in meet-in' and proves that it can *sell goods* just the same as any other medium can and maybe better! Take off those whiskers, radio—we knew it all the while!



Blank-Stoller, Inc.  
**Walter Mann**

With a "healthy huz-zah and a kicking of statistical heels" Col-um'-bia Broadcasting System now broadcasts in a thirty-six-page black-and-blue "now-it-can-be-told" book, the results of Assistant Professor Robert H. Elder's\* latest five months of effort.

"Radio," says Professor Elder, "is uniquely susceptible to a scientific approach in measuring its effectiveness. Isolate a group of people who do not possess radio sets—immune to the effect of radio advertising (but) exposed to magazine and newspaper advertising, etc., to an equal degree with other people. Compare the purchases of this group with the purchases of a group of radio owners of the same income levels. Thus measure the specific effect of radio advertising, the only factor not common to the two groups."

At this point we must faintly question Professor Elder's claim of exact equality. Isn't it true that radio owners as a class would essentially be a little more modern, a little more on the spending side than non-radio owners—ergo a little more likely to buy the better, the more generally advertised products? Not that this harms the viewpoint on radio any—it merely alters it a little.

For this test was used a series of (1) articles in common use; (2) articles of rapid turnover; (3) articles common to various financial levels; (4) articles which in each category offered one or more leading brands which were radio advertised and one or more leading brands not radio advertised; (5) articles heavily advertised in other media; (6) articles sold largely by advertising, i. e., with a minimum amount of personal salesmanship. This, it was felt, necessarily excluded such articles as automobiles, securities, etc. Nine categories of articles were selected meeting these requirements. A mail questionnaire was used "to avoid any possible coloring of the results by personal interviewers."

Ten thousand questionnaires (accompanied by a wholly innocuous letter) were mailed during April, 1931, to each of ten representative American cities well distributed over the country (Baltimore,

Boston, Buffalo, Chicago, Los Angeles, Minneapolis, Philadelphia, Providence, Syracuse, Toledo) (no South?); 14,831 replies were received of which 14,061 were usable. Answers were tabulated for radio-owning homes and non-radio-owning homes to the question: "What *brands* of the following products are used in your home?" Following this was the list of products with lines after them upon which to write the brands used: toothpaste, toilet soap, flour, shortening, scouring powder, shaving soap, collars, cigarettes, cigars. The only one of these products which strikes S. O. S. as a bad choice was collars. How about Bulova watches, Chase & Sanborn coffee, Fleischmann yeast, Enna Jettick shoes instead? Following this, four spaces were given in which to list the magazines read in the responder's home. Last but not least, the question, "Do you own a radio?" was asked, followed by another question, "About how many hours per day is it in use?"

The general summary of results, based as it is on 121,888 brand mentions of ten products on 14,061 cards, is worthy of more space than we can give it here.

In the aggregate the report shows that radio advertised brands enjoy a 29.3 per cent increase in use in radio homes as compared to non-radio homes. Moreover, there was a 36.1 per cent increase as compared to non-radio homes among those homes listening to the radio more than three hours each day!

Users in radio homes of toothpaste show a 44.2 per cent gain over those in non-radio homes; shaving soaps a 30.3 per cent gain; toilet soaps 15.2 per cent; scouring powders 7.8 per cent; flours 16.0 per cent; shortening 13.3 per cent; cigars 42.4 per cent; cigarettes 10.2 per cent; collars 44.0 per cent.

Space does not permit discussion of the details of this extensive and well-done study. Those who wish to prove to themselves that radio *does* sell goods can do so by writing Columbia Broadcasting System, 485 Madison Avenue, New York City.

### Progress in Kentucky

An eastern manufacturer wrote to the Kentucky Progress Commission (now officially the State Chamber of Commerce) asking about a site for a \$1,000,000 plant to employ 600 people. He must have 10,000,000 gallons of water daily, free from iron and other objectionable minerals. Also there were certain power, labor and raw material requirements. In attempting to answer this and other similar requests, the Progress Commission became annoyingly aware of the need for standardized statistics regarding 200 towns of Kentucky. One hundred and twelve towns turned in as much as possible of the desired information on over a hundred phases of the various industrial conditions, location, railroad facilities, water, etc. The result is a 212-page green-covered book, obtainable from the Kentucky Progress Commission, Frankfort, Kentucky.

\*Massachusetts Institute of Technology, Department of Business and Engineering Administration.



## What's New

What General Electric executives characterize as one of the most successful special sales campaigns ever operated by that company was completed September 1 with the salesmen reaching 250 per cent on a \$400,000 quota. The campaign was built around a contest called "War." Details are reported on page 55.

More reports gathered from far and wide by the editors in the recent survey of current changes being made in salesmen's compensation, are offered this week. Page 56.

Sanford E. Thompson, president, The Thompson & Lichtner Company, who contributes the leading article this week, is a well-known engineer, and was associated with Fred Taylor in the early days of the Taylor Society. His company now serves clients in many industries, both east and west, and has offices in Boston, Chicago and Cincinnati.

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Published by Sales Management, Inc.,  
420 Lexington Avenue, New York,  
Telephone: Mohawk 4-1760; Chicago,  
333 North Michigan Avenue, Tele-  
phone: State 1266; Washington Bu-  
reau, 1099 National Press Building.  
Telephone: Metropolitan 3659. Sub-  
scription price, \$4.00 a year, including  
annual Markets and Media Reference  
number; Canada, \$6.50.

# Sales Management

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*Photograph on page 53 by Ewing Galloway*

# Sales Letters

BY MAXWELL DROKE

## Fitting Letters to Customers

My most persistent and ingenious correspondent is Bill Gray, of Colonial Traders, Ltd., Chatham, Ontario. Never a week passes that he isn't in the mail with a missive to the garagemen and auto supply dealers of Ontario. Nearly always he has some clever stunt or unusual enclosure. At the height of the harvest season Gray attached to one of his letters a spear of wheat, with this tie-up:



Maxwell Droke

"Here's a spear of wheat from Ontario's bounteous harvest. Do you see any difference in this wheat that's now selling at the lowest price in 400 years, compared with the wheat of years just passed?"

"Here's what I'm leading up to: It's confusing to preach quality and low prices at the same time. One naturally

expects that where price is a factor, it is at the sacrifice of quality. But these unusual times bring unusual situations.

"The Ohio line of cables and terminals has for years enjoyed the reputation of being 'just a little better,' although perhaps costing a bit more. But now, I invite your attention to the catalog and price list you received a few days ago. . . ."

To a later letter, headed "Grandpa's Whiskers," was attached a very clever imitation of whiskers, fashioned from steel wool. Here is how Bill leads off:

"A little girl asked her grandfather, 'What do you do with your beard when you go to sleep? Do you put it on top of the covers, under the covers, or do you stick it in the pocket of your pajamas?' Grandpa had never thought of that, and passed the question off lightly. But that night, when he went to bed, he tried putting his beard on top of the covers, under the covers and finally attempted to stick it in the pocket of his pajamas. He couldn't go to sleep for hours. Grandpa had become 'beard-conscious.'"

This introduction is followed by some talk about flexible tubing, with the conclusion, "I'd like for you to become tubing-conscious."

I am not holding up Gray's letters as models for general adoption. They appear to be doing the job for him, largely because he has the personality to back up some rather wild-eyed stunts. A pale imitation of the original campaign would be likely to fall flat. We must bear in mind also that the list is an important factor. The Colonial Traders list is very largely made up of men with mechanical talent and inclinations. Thus the ingenious enclosures strike them as just about right. They are on the lookout for Gray's letter each week, and open it eagerly to see "what that guy's up to now." Their idea of a "clever" letter is not one that goes into a

long-winded argument, but a message with some definite eye-appeal. They are simple men with simple tastes. And Bill is just smart enough to give them what they want.

"I think your advertising is terrible," a certain highbrow once said to William Wrigley. "So do I," confided Wrigley, "but the folks who chew gum seem to think it's smart!"

## All Grist to This Mill

Every letter that finds its way to the Multipost Company, of Rochester, New York, promptly becomes grist in the mill—a source of possible profit. They have a semi-form letter which goes to all such communications:

"In this morning's mail we received our copy of (mentioning specific house organ, catalog, etc.). Thank you for sending this to us. It will be given careful consideration.

"We note the sheet two-cent stamp affixed to your envelope which contained this publication, and believe therefore that you can use a Multipost stamp affixer to advantage."

This is followed by a detailed description of various models, with an offer of a free trial. A business reply postcard is enclosed. The Addressograph Company, as I recall, uses a similar letter for correspondents whose envelopes are addressed by hand or typewriter.

## Very Personal

The Wayne Hardware Company, Fort Wayne, Indiana, has adopted an idea for a salesman's daily report form that strikes me very favorably. In addition to the usual information as to calls made and orders secured, there is a space for general comment, and the salesman is given definite instructions as to the type of information desired. Here are the instructions as they appear on the form:

"Give us any information which will make it possible for us to write each individual a personal, friendly letter:

"*Out of Town:* When the buyer is out of town, give his name, tell where he was and what he was doing, if possible.

"*Changes in Store:* If the dealer enlarges or remodels—if he puts in a new front, new showcases, shelves or equipment—tell us so we can write and compliment him on his progressiveness.

"*Information:* If the dealer asks any questions, or wants information, or says anything which suggests our writing a letter, tell us about it.

"*Family Affairs:* We want to be able to write the dealer about such personal affairs as illnesses and deaths. Mention also events such as children returning from college, etc.

"*Concerning your relations:* Whenever we can write the dealer and say something to help make you increasingly 'solid' with your customer, give us the opportunity."

I do not say that this Wayne idea is sound for general adoption; in fact, I can

see where such personalized letters, coming to the merchant from perfect strangers, might be resented as an unwarranted intrusion, and a rather clumsy attempt to "buy" some business. However, in this case the interest is genuine. Wayne is not a large concern. They cover a limited territory, and the general manager, R. R. Enoch, is personally acquainted with most of the merchants. Thus it is not at all presumptuous for him to demonstrate a friendly interest in the affairs of a customer.

And by the way, you might be interested, also, in a letter which this wholesale hardware house uses to welcome new accounts into the fold. It goes out under the signature of the general manager:

"I want to thank you personally for the nice order you gave Mr. Arlington last Tuesday.

"This is the first time we have been privileged to serve you, and I want you to know that all of our folks welcome you into the Wayne family. We're mighty glad to have you with us, and hope you'll like us well enough to come again—and again.

"We'll try our level best to serve you promptly and properly. But I am not going to promise Perfection, and then fall down on delivery. We have our faults and shortcomings, and once in a great while we do make mistakes; but we're always glad to correct them. All in all, I think you will find us pretty nice folks to do business with. We like to get close to our customers; to study their problems and their needs, and to help them in every way we can.

"I know Mr. Arlington has been telling you quite a bit about the lines that we carry. We realize that a merchant in these times can't sell 'a pig in a poke.' Your customers want standard merchandise of known value. So we have been working for years to build up the best and fastest-selling lines for you. We've listed a few of the leaders on this letterhead. A pretty good showing, isn't it?"

"And now, just one thing more: I'd like very much to meet and talk with you. I want to introduce you to our folks here, and show you around the place. I do hope you will plan to drop in the next time you are in the neighborhood. You are always mighty welcome!"

## Sales Letters and Time Clocks

One of my correspondents puts up to me this poser: "How many letters should a correspondent dictate in a day?" He adds that the letters are non-technical, and that no special research is required in answering them.

In the first place, I do not believe the latter statement. Perhaps my correspondent intends to convey the information that no special research is given. That is quite a different matter. I have found relatively few letters of any consequence which can be properly answered without research, if we may define research for our purpose,

(Continued on page 74)

# Significant Trends

*As seen by the editors of Sales Management for the week ending October 10, 1931:*

• • • The big news of the week was President Hoover's announcement of his plan in connection with the great banking groups and leaders of both political parties in Congress to restore confidence by mobilizing banking resources to support banks outside the Federal System and to strengthen the Federal Farm Loan System.

• • • The central idea is to make it possible for these banks "to attain liquidity in case of necessity (by rediscounting assets not now eligible for rediscount at Federal Reserve Banks) and thereby enable them to continue their business without the restriction of credits or sacrifice of their assets." The immediate effect of the announcement on commodity and security markets was electrifying. (An editorial note on this subject will be found on page 70.)

• • • Retail trade has been helped until the last few days by the cooler weather, but many reports indicate that volume is below expectations. Gains were particularly common in the closing days of September. It is already known that in a good many cases distributors did considerably better relatively than they did the month before. Wholesale business has been only moderate.

• • • A group of garment makers has agreed to create a "board of strategy," including retailers, charged with the duty of announcing, after thorough study, dominant style themes of coming seasons. The hope is to furnish a means of guiding both manufacturers and dealers to reduce wastes and delays. The need of such boards has long been obvious.

• • • The buying power of the dollar in costs of living for the workman's family has increased to \$1.183 in the last five and a half years, the Bureau of Labor Statistics finds. Food has gone down most, 28.5 per cent. The sharp decline began in December, 1929.

• • • The decline in individual wages during the same period cannot now be figured in corresponding terms. The bureau estimates, however, at nearly 40 per cent the drop in the total amount of wages paid by our manufacturing establishments. This means a wage loss of close to \$7,000,000,000.

• • • The industrial depression committee of the U. S. Chamber of Commerce has submitted its long-expected report. Its chief recommendations are more or less familiar. They include the setting up of a national economic council, limited amendment of anti-trust laws, setting up reserves for unemployment benefits, curbs for excessive speculation by bulls as well as bears and everything possible to bring about international disarmament.

• • • The American Federation of Labor proposals call for a national conference to spread jobs, an immediate five-day week and shorter day, maintenance of the wage structure and wage standards, guarantees of continued work for those who have jobs, prohibition of child labor and long-range planning for stabilization.

• • • Average commodity prices dropped again last week, the Irving Fisher index number reaching 68.1 compared with 68.6 the week before. Crump's index number for Great Britain rose to 64.2 from 62.3 the week before and 60.5 a fortnight ago—further evidence that price inflation is on there as a sequel to suspension of gold obligations.

• • • Business activity as reflected in general index numbers continues downward though at a less rapid pace than in recent weeks. And it is likely to show a similar trend for some time after everyone knows that better conditions have set in.

• • • A conspicuous testimonial advertisement this week is at pains to deny that any money went to the signer, a stage star, but expresses the hope that she will benefit from the publicity given to her picture. Payments in kind are increasing in popularity.

• • • A comprehensive survey of color in magazine advertising was put out this week by the Association of National Advertisers. It covers almost every phase of the subject. In 1929 the revenue of twenty-seven leading magazines was \$174,295,705 (National Advertising Records), of which 48 per cent was from color pages. In 1930 their revenue was \$172,045,411, of which 48.9 per cent was from color.

• • • General Foods' net earnings in the September quarter are estimated at about \$4,200,000, compared with \$4,885,564 in the same period last year, a noteworthy showing in view of general conditions and exceptional promotion expenditures.

• • • Kroger Grocery & Baking announces a new \$1,000,000 food factory to be built in Cincinnati. It will include bread and cake baking facilities on a very large scale, a kitchen for salad dressing, candy, peanut butter, olives, spices and extracts, and coffee roaster.

• • • Goodyear is going into broadcast advertising as a means of stimulating interest in printed page advertising.

• • • Our exports to Soviet Russia in August increased from \$5,443,198 last year to \$7,288,551 this year—34 per cent. To all other important countries save China we sent less of our commodities.

• • • Executives of department stores and chain systems are expressing the opinion that the mass distributors have gained relatively in the period of depression. They base their opinion on current estimates that retail sales this year are \$8,000,000,000 under those of last year—i. e., 6 per cent of the volume in 1929—while department stores and chains as a body have lost much less.

• • • It is a pertinent fact, however, that there has been no extraordinary increase of failures among independent dealers, many of whom are known to have so small a volume as to make their tenure precarious even under favorable conditions.





*Blank-Stoller, Inc.*

### Colonel Sanford E. Thompson

# What's Holding Back Prosperity?

Part I of an article in two parts

BY SANFORD E. THOMPSON

*President, The Thompson & Lichtner Company, Inc., Boston.*

IT is a fair statement, we believe, to say that any man in America with a family could spend at least \$4,000 per year—if he had it. However, as a matter of fact the average man spends about \$1,500 per year. It follows then that a potential market exists for at least \$2,500 worth of goods per family. Furthermore, since the potential earning capacity of the average man is far above his \$1,500 per year he should have a much larger purchasing capacity. Yet we complain of "overproduction."

As a nation we can produce more than we now consume, and we can consume more than we now produce. Not only are we capable of this, but we have been straining every nerve in these directions. The unfulfilled desires of our 50,000,000 workers are sufficient to utilize every one of these workers and to use all of our equipment to the limit, certainly, of their present capacity. Production could mount upward to far greater heights before even the common necessities are provided for all.

The question then is most pertinent: Why, with this great bulk of unfilled need, and a corresponding bulk of unused labor, raw materials and equipment, are we so frequently confronted, as at present, with a drop in production instead of an increase? Why do all goods become a "drug on the market?" Why do we have hard times

—and with them unemployment? Why, when the market most needs purchases, are large numbers, by unemployment, dropped into the class of non-consumers?

The paradox implied in these questions is the outstanding challenge of this age to the economic structure, not only of this country, but of all the countries of the world. The problem involves such a wide diversity of elements, conflicting among themselves and limited in application, that it can never be solved as a mathematical puzzle. It is absurd to say that we must produce all the goods we can make without consideration of our consuming appetite. It is equally fallacious and even criminal to say that we must spread the work around and reduce our productive efficiency. For in this power to produce, in this ability to fabricate the articles we desire at such low cost of man-power, lies the foundation of all of our prosperity as a nation. So outstanding is this one factor that all others such as cheap raw materials and cheap power are insignificant in comparison in their causal position.

It would even appear almost certain that disregard of this fundamental law—the law that prosperity is based on high production per individual, which in turn means low prices and large purchasing power—is a prime factor in the retardation of our slow come-

back from the industrial depression. In this tendency, which seems to dominate even our assumedly hard-headed business men, to maintain full payrolls, to disregard profits, to forget the need of the millions of stockholders whose income is dependent—sometimes to a vital degree—on dividends may be the retarding influence in business recovery and most dangerous to our future welfare.

In consideration of these things, however, in so brief a treatise as this, it is not sufficient to consider only one phase of the problem, ever so important as it may be. In order, in fact, to suggest its paramount significance in the present moment of our national life, certain other factors must be referred to in the course of our discussion. Overproduction in total goods is one. Irregular production is another. Lack of balance and control in our distributive system is an outstanding element in the cause of business fluctuation. Too large inventories. "Frozen" capital ready at all times for new projects and new developments but standing aloof from current production needs is a factor to which too little thought has been given. Stock market transactions have taken much money out of the hands of the smaller man who contributes most largely to normal purchasing and placed it in the hands of the man whose capital is used for new develop-

ments rather than for current buying.

Some of these things, we may say, and truthfully, have had a greater influence on the cause of present depression at its beginning than the element whose importance we are stressing, but their significance in the recovery processes and in future ultimate earning power and prosperity would appear to be less.

When business is booming, profits are high, sales are readily made and the job is hunting the worker instead of the worker hunting the job, it is easy to see that high individual production is beneficial and that increase in output is an unmixed blessing to the worker. But just the moment business drops off it is another story. "Overproduction" is the cry. From a superficial point of view all we have to do to right matters is for every man to produce less. If he produces less more men can get into the game, provided—and this is a hurdle so often forgotten—the goods can be sold. The fundamental difference between increase in per capita production and increase in total production of specific commodities is so often confused.

An official of a business association in London told me recently that there was a "tendency to reduce wages in the textile mills, or what was the same thing—eight looms instead of four were being permitted to a weaver." Like many another loose thinker, he confused conditions which are absolutely contrary to each other; one, a wage reduction, which reduces purchasing power, and the other an increase in output which eventually lowers costs and increases purchasing power.

The principle involved in this confusion of thought is so basic that it has a most important bearing upon the whole problem of unemployment. Lack of appreciation of the principle involved tends to make one work exactly contrary to true direction.

Let us see, therefore, if we cannot trace down this overproduction bog by an elementary illustration. Suppose that we have two men isolated from other humans. One of them provides food, the other clothes and shelter. At first all of their time is occupied in maintaining the barest existence. Soon they become more expert in their duties and have time to spare. They may loaf or if they want greater comfort they may busy themselves with making other things. They may vary their diet by raising crops, catching fish, preparing new dishes. They may make better clothes, build more beautiful homes, plant flower gardens. If both are not fully busy there are

only two alternatives, either their full needs are already supplied or else they have failed to develop other needs which do exist for them.

It may be that the goods one man provides are of such a nature that they last longer than those provided by the other so that he is idle part of the time while the other is always busy. In such a case the man who has idle time may change his occupation in part so that both men can keep busy. As skill increases, the variety of goods produced will also increase and each will be better served. As his initiative faculties develop from the satisfaction of doing his job, his desires increase—he wants greater and greater comforts, he educates himself for larger enjoyment. He enthusiastically tells of the value of his own handiwork—advertising we call it now-a-days—and inspires his fellow worker to want more and more of his products. And so the demand accelerates.

*Unless all needs or demands of both men are satisfied, there can be no overproduction.*

Broadening our illustration, the same general principle applies to our complex civilization. It is complicated by the introduction of a medium of exchange—money—instead of barter. It is complicated by the difficulty in distributing to different places in needed quantities. It is complicated by the necessity for capital in order to erect homes and factories and machinery which may not return their value for several years. Such complications in turn result in uneven returns to different groups of people. The trouble, however, lies not through a man producing too much, but on account

of the blundering fashion in which our business is manipulated.

*The fundamental fact remains evident that overproduction of the individual is not even in sight. There is always an increasing demand not only for new products and luxuries, but also for staple goods wherever the purchasing power of the community is increased.*

On the other hand, note the evils due to low production which come back inevitably to low value production of the individual irrespective of whether or not he is working hard. In China and India the workers, no matter how long they work or how hard they toil, earn a bare existence. Why? Because the value of their daily production, through lack of machinery and organization, is too small to return them enough to buy a comfortable living. There may be no unemployment, but what good does it do to work all the time if one cannot make a fair living?

The same condition exists in less degree in European countries and existed there before the war with the unemployment problem greater than ours. Russia is hungry. Because the people cannot, at least as yet, assimilate and take advantage of the really far-sighted plans for development instituted by the Soviet government, the workers do not average enough productive value to live.

Visit the slums of London, pass the benches in the public square of Glasgow and Dublin. Walk through the lower half of the rue de Rivoli in Paris. In Germany note the dearth of movies and other luxuries supported

(Continued on page 73)

#### Relative Wages Corrected for Cost of Living as Compiled by International Labor Office, Geneva\*

United States	100
Canada	80
Great Britain	48
France	28
Germany	38
Austria	25
Italy	21
Spain	22
Netherlands	43

\*International Labor Review, April, 1930. Adjustments for cost of living are based on food, fuel, light and soap. The calculations are based on wages of a few classes of workers only and in a few of the larger towns and cities.

# Profit Clinics

## and How to Hold Them

BY C. E. KNOEPPPEL

*Industrial Counsel, Cleveland Ohio*

THE real virtue of a "profit clinic" is that it can be most productive in *thought starters* about profit-making. Everything starts with thoughts. If you don't believe it, consider what would happen to your business if the brains of all those in your employ should suddenly be removed by a surgical operation.

Thinking can be likened to a manufacturing process. The raw materials of thinking are facts, meanings and inferences about things. This raw material becomes work-in-process through imagination and visualization. The products of thinking are *ideas*. Ideas are the source of all creations. The human mind is the fabrication plant. Each human has a mind, hence each human can create.

The secret, then, is to supply the minds of men with facts, meanings and inferences about things pertaining to your business. One of the most important things to do is to give *your* "profit clinic" a true picture of costs and their relation to profits. This can be done by stating that if all costs were variable costs, and the business was an economic one in which there were profits, the sales and cost lines would look like Chart A (page 54).

But costs are not all variable costs. They are of three kinds:

1. The pure fixed costs, such as taxes, insurance and depreciation.
2. The pure variable costs, such as commissions to salesmen, indirect labor and other items of like nature, including both direct labor and direct materials.
3. Costs which can be called "FV" costs, which have in them elements that are partly fixed and partly variable, such as foremanship, clerical, advertising, supplies and many others. These have in them a minimum of fixed necessary to maintain a "going" business, and which remain fixed up to a certain point without reference to volume, beyond which point, however, they begin to "vary" with the rise in production and sales. They may rise in proportion, or at a faster or slower pace.

By putting 1 and the fixed part of 3 together, we then have a total fixed cost, made up of "shutdown costs" and what might be termed "nucleus costs." The balance are variable costs.

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### Number 3.\*

#### Financial Factors in Profit Assurance

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Sales Management believes that many companies, both large and small, could go far toward eliminating profitless selling if they would institute staff meetings, or "profit clinics," devoted to a systematic study of profit-budgeting.

Accordingly, we have arranged for a series of six articles which will tell how to organize and operate a profit clinic. They have been prepared by a trained profit engineer who has professionally conducted many such profit clinics for company clients. The accompanying article is the third of the series.

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Now by superimposing on the variable cost area in Chart A, the fixed cost area, Chart B is the result.

Please note that it is the fixed cost area which causes the total cost line to "cross-over" the sales line at "X" point up the capacity scale, below which there are losses, while above this point there are profits. Viewed in this way, one can "see" the tremendous influence of fixed costs on the making of profits. A study will show, furthermore, that volume alone is *not* the answer to the question of greater profits, for, as will be noted, additional volume will neither widen the profit area nor lower the point at which cost and sales lines cross. What is necessary is one or the other (preferably both) of two things: (1) Reduce the height of the fixed cost area; (2) Change the angle of the total variable cost line.

After locating the "profitless point,"

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\*Number 1 in this series appeared in SALES MANAGEMENT for September 5, 1931. Number 2 appeared September 19.

the clinic can plot another line—known as the deadline. This is the point where profit on sales income equals 6 per cent on the capital investment, in other words, the point where the return on money as money ends. From this point on the profit for the business "as a business" begins, constituting reward for skill, effort, experience and managerial ability.

A study of costs and charts as above outlined will lead to a consideration of an important subject—the "predetermination" of costs and profits, through:

The "budget" as the plan of affairs, akin to that of the military general who plans his "retreat" as well as his advance, in addition to looking out for "flank attacks."

"Budgeting" as the art of first determining and then controlling the making of the "required" *excess* of the income over the outgo.

Reference to the second of the two charts shown will indicate that variable costs are more or less as sales rise or fall. This points plainly to the need for variable budgeting. A true budget for a 60 per cent volume would pick up 60 per cent of the variable costs plus all the fixed costs, against which to compare the actual results of the 60 per cent volume. The fixed budget, set for a six-month or year period, would merely be the broad objective toward the attainment of which all should work, but as business rises and falls, the real budget should correspondingly rise and fall.

In light of the influence of fixed costs on profits, and from the standpoint of budgeting, the "profit clinic" could discuss the matter of "controlling the uncontrollables." In other words, it could inquire into what makes fixed costs fixed, which would be but the beginning of the work of "reducing the height of the fixed cost area" previously referred to.

This clinic could then take up the study of "cost reduction possibility curves." Our modern accounting sorts expense items into four groups—manufacturing, selling, administra-



## A Study in Industrial Profit Efficiencies

For first half 1931 and corresponding period of 1930, arranged in order of *decreasing* efficiencies for 1931.

Basis of calculation—twice the rate shown for first half divided by 12 per cent as required "net income" on net worth.

Arrangement made from compilation in September Bulletin, National City Company, New York.

Order in terms '31	Line of business	Number firms	1930 first half per cent	1931 first half per cent
1	Drugs and sundries .....	11	155.83	135.83
2	Printing and publishing .....	10	214.16	134.16
3	Food products—miscellaneous .....	29	140.00	99.17
4	Baking .....	9	107.50	94.16
5	Automobiles .....	19	126.50	92.83
6	Restaurant chains .....	9	88.33	75.83
7	Chemicals .....	23	108.33	71.67
8	Shoes .....	5	90.00	62.50
9	Automotive accessories .....	38	109.16	48.50
10	Merchandising .....	31	37.50	48.33
11	Tobacco (cigars) .....	9	60.83	44.16
12	Office equipment .....	7	100.00	43.33
13	Miscellaneous .....	81	65.83	40.83
14	Electrical equipment .....	18	78.33	40.00
15	Realty .....	6	95.00	35.00
16	Household goods .....	20	51.67	29.16
17	Building materials .....	18	47.50	26.67
18	Paper products .....	13	35.00	23.33
19	Amusements .....	7	106.67	21.67
20	Coal mining .....	8	25.00	21.67
21	Machinery .....	31	95.00	16.67
22	Textiles .....	15	20.00	15.00
23	Apparel .....	16	20.85	10.85
24	Railway equipment .....	14	64.16	8.33
25	Mining (non-ferrous) .....	23	52.50	7.50
26	Aviation .....	10	—37.00	6.67
27	Iron and steel .....	33	56.00	6.33
28	Rubber manufacturing .....	9	9.16	5.83
29	Petroleum .....	33	53.33	—4.58
Total number firms and average of profit efficiencies .....		555	73.33	35.00

tive and sometimes shipping. In doing so, however, certain "related" items become separated. We are not quarreling with this practice. We do suggest, however, a "synthetic" process whereby all related items can be brought together, and arranged in chart form in order of *decreasing amounts*. In one case, six of the first ten, out of thirty-four items of the overhead, arranged themselves as follows:

	Yearly
1. Office costs .....	\$ 670,000
4. Power costs .....	470,000
5. Indirect labor .....	300,000
7. Maintenance .....	250,000
9. Supplies .....	220,000
10. Material handling .....	165,000
Total .....	\$2,075,000

In other words, here were six items which lent themselves to an analysis for cost reductions which were not difficult to make. By taking each of the items and developing the component elements in order of decreasing amounts, it is possible to work from the standpoint of first things first for the business as a whole.

The clinic can consider and develop means for "projecting" the results at any time in terms of either the fiscal year or on the basis of a twelve months floating average. In other words, we have grown accustomed to think in terms of a year, and we have arranged our accounting accordingly. At the end of each month the year-to-date results should be equated in terms of the year, so that it can be determined what the end of the fiscal year, or the current twelve months, will look like. Then it will be possible to state what the "profit deficit" (or excess) will be. In developing this projection, the history of the past five or ten years should be plotted to furnish the guide to the local yearly business cycle. This cycle should govern the projection.

One of the most important works

of a "profit clinic" would be the study of the sources of loss. As profit is the legitimate goal of a business, the difference between what the profit is and should be should definitely be known, and furthermore, the causes contributing to any difference should be determined and expressed quantitatively. In the last analysis, a profit or loss figure is merely a composite figure—an average figure. If we say that \$100,000 has been made, it might be that profits were \$200,000, with losses \$100,000. On the other hand, if net loss is \$100,000, it might be that there were \$200,000 in losses and \$100,000 in profits. A single figure is meaningless from a management standpoint, as there is no way of telling where the profits and losses came from. One of the objectives of management is to have all divisions of a business productive and making money all of the time, and there should be machinery set up to determine when they fail to do this and by how much. In casting about for a way to accomplish this result, the fine work of the medical profession in isolating and eliminating disease germs comes to mind.

*Why cannot the "profit clinic" take steps to isolate and exterminate "loss germs"?*

There are many such germs in a business, but here is a list of eight which, in many cases, can be isolated and evaluated quantitatively. Certainly some of them can.

This list is as follows:

1. Prices being less than concern should receive for its products.
2. Purchasing at the wrong time.
3. Manufacturing below a normal capacity.
4. Selling below a normal capacity.
5. Faulty use of materials.
6. Inefficient labor in fabrication.
7. Quality below that specified by engineering standards.
8. Excess of other outgo over other income.

The mechanism for isolating these

loss germs is that known as "variation accounting." The principle behind it all is that presented by the writer before a Federal Trade Commission hearing in Washington in 1918, as follows:

"To place the burden of inefficiency and waste on the shoulders of those who produce it or are responsible for that condition, so as not to include it in prices paid by the consumer, costs of operation should be predetermined on the basis of practical standards, within the attainment of worker, machine, department or plant. And difference between the actual costs and the standardized costs should be carried monthly into a departmental 'cost adjustment account,' and closed into 'profit and loss' at the end of the year."

Consider how much more effective accounting will be from a profit-making angle, when we can read income statements like this:

Net sales at budgeted prices....	\$5,200,000
Standard cost of sales.....	4,530,000
Standard profit .....	670,000
Variations from standards:	
Price concessions ....	\$ 20,000
Purchasing losses ...	35,000
Manufacturing capacity gains ....	20,000
Selling capacity losses	30,000
Material waste .....	40,000
Labor waste .....	15,000
Quality waste .....	10,000
Excess other income..	10,000
Totals .....	\$150,000
Deductions to reduce to actual..	150,000
Net actual profit .....	550,000
Profit deficit .....	\$120,000
Per cent of profit shrinkage....	17.91

A profit clinic discussing an income statement of this kind will become a real profit clinic indeed.

Of late years business has been developing a technique which is known as "ratio analysis." The theory behind this development is that balance sheets and income statements contain a number of items which do or do not bear a proper relation to one another or to the whole. If the relationships are

(Continued on page 76)

Chart A

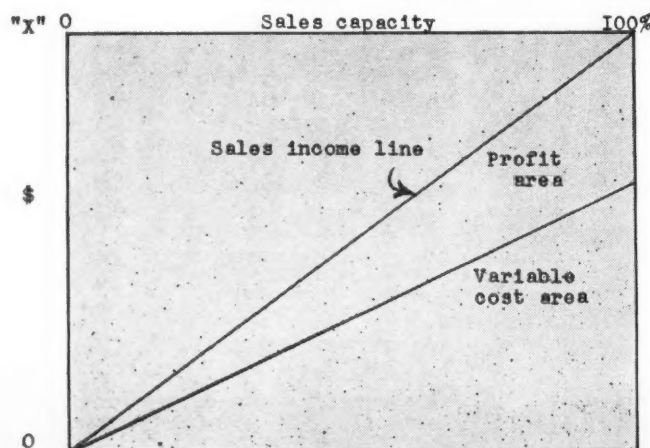
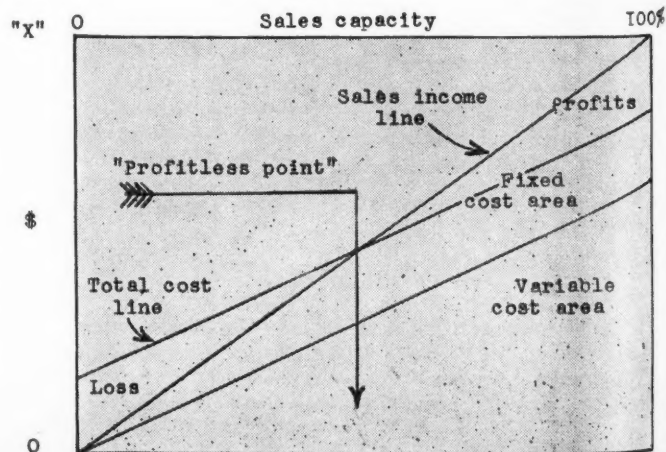


Chart B





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From left to right are A. C. Prange, C. D. Spaid, O. H. Young and R. G. Worsley looking over the last issue of the "Barrage."

# G. E. Men Reach 250 Per Cent of Quota in Special Drive

ON September 1 the General Electric Supply Corporation, electrical jobbers for General Electric, concluded what is considered by officials of that company to be the most successful new business drive on Mazda Lamps ever conducted in the electrical industry. With a sales quota of \$400,000 to meet, the organization attained a 250 per cent realization by securing \$1,076,000 in new business on Edison Mazda Lamps during the period from June 1 to August 31.

The campaign, named "War," was carried out with all the organization and strategy characteristic of a well-planned military offensive.

The current business depression had not helped the incandescent lamp business. However, a searching analysis of the situation showed that there was lamp business to be had. It was simply a question of getting it. And that meant organization, team work; an intensive lamp sales activity in which everyone involved would be required to play a part.

Based on an interview with

**J. L. BUCHANAN**

President, General Electric Supply Corporation, Cleveland, Ohio

In the mind of Charles D. Spaid, Nela Park sales promotion department man in charge of G. E. Supply Corporation contact, the almost perfect example of such group effort is a well-planned battle offensive. "There's nothing like it," he thought, "for mustering all available men and machinery and reaching a set objective. So why not pattern our sales campaign after a successful war maneuver, and get everybody going at the same time?"

Following a conference with G. E. Supply officials, at Bridgeport, the campaign was so planned that all of the salesmen, more than 300 strong, were mustered into service.

As a plan of battle, all salesmen were divided into four military groups according to their average monthly lamp sales billed budget for June, July

and August, and individual objectives assigned, represented by sales potentialities in their territories. Those in the first group, known as Aviation, were given a quota of \$2,000. The second group, the Engineers, consisted of men with quotas of \$1,300 to \$2,000. The third group, the Artillery, was composed of men with quotas of \$800 to \$1,300. The fourth and last group, Infantry, was made up of men with quotas of \$800 and below.

As the men in each of these groups obtained new business, they advanced in rank from privates to generals, and shared in the "spoils of war" by receiving increasing cash bonuses with each successive promotion. The lowest group at the end of the campaign, men who had not yet signed up a lamp contract, was known as kitchen police. Those men who since the start of the campaign had not only failed to obtain new business but had lost ground since the declaration of war were placed in the A. W. O. L. class. Branch managers of the thirty-six G.

(Continued on page 75)



# 475 Companies Tell How They Are Adjusting Salesmen's Compensation

UNUSUALLY interesting, also, is the revised plan put into effect by Tom Hanlon, director of sales of the Super Maid Cook-Ware Corporation of Chicago. This concern operates from three to six assistant district managers in each district who are really field men supervising the work of salesmen. These men, until early this year, worked on a salary and commission basis, commission being offered on a sliding scale contingent on the amount of business produced by all men in their divisions.

In March salary and expenses of these men were eliminated but their rate of commission was tripled. They were given the privilege of making sales themselves, as they had been doing for their men, but were also allowed to earn the regular salesmen's commission on these orders, in addition to the overwriting commission they had been receiving on the sales of the men under their direction.

Mr. Hanlon reports that about 80 per cent of the company's 130 assistant managers immediately showed an increase in earnings on the straight commission basis, and that the plan had certainly resulted in increased effort on the part of the entire group of men.

Further incentive is offered by this company in the form of a special overwriting commission which he can earn when he merits classification as an "advanced salesman." This commission is applied not only to the volume above quota, but to all sales made by the man during a given month.

A big southern concern manufacturing soft drinks changed, the first of this year, from a salary basis to a drawing account and commission basis. "Our purpose in doing this," they report, "was to create more effort on the part of the salesmen and to instill the desire for an immediate increase in earnings, which, of course, means

more sales and more profits for the company. The plan as a whole has been very successful. It, however, caused one or two changes in our sales force. It weeded out the weak sisters and gave the good men an opportunity of materially increasing their personal incomes, which, in our opinion, coupled with pleasant wholesome working conditions, always makes better salesmen."

The new set-up by the Riley Stoker

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## Part II of a nation-wide survey conducted by the editors of Sales Management\*

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Corporation of Worcester, Massachusetts, embodies a greater element of caution than their old plan, but also considers carefully the problem of morale. L. E. Griffith, vice-president and general sales manager, was good enough to furnish these facts:

"Our salesmen receive compensation on the basis of straight salary plus sales bonus. The sales bonus is based upon a participation in district sales office earnings after all district sales expense and general sales expense items have been provided for.

"In connection with the sales bonus it has, until quite recently, been our practice to advance each salesman payments against sales bonus at the rate of \$50 per month in addition to salary, with the understanding that such advance would be deducted from any total sales bonus actually earned by the district during the year.

"In the event that no sales bonus was actually earned by the district during the year, it was our practice, nevertheless, to wipe the sales bonus accounts clear of advances at the end of

the year. . . . Quite recently we considered it desirable to eliminate all advance monthly sales bonus payments and will hereafter make sales payments only when, as and if earned.

"The foregoing represents our pruning to date and we have not considered it desirable to institute a general reduction in salesmen's salaries for the reason that it is our opinion that the men are working harder than ever under present conditions, and that a general reduction in salesmen's salaries would have the effect of disturbing the morale of the entire sales organization.

"Salesmen's expense accounts are being scrutinized for any unnecessary items to a greater extent than ever."

A condiment house of Chicago has readjusted compensation by increasing commission 5 per cent, thus offering a premium for results which was welcomed by the capable salesmen, but which, of course, penalized the inefficient ones, since, at the same time, all drawing accounts were withdrawn. An Illinois firm is putting new men into new unworked territories, offering a bonus of 3 per cent over the regular commission, for opening new accounts. The Rock Island Plow Company, of Rock Island, Illinois, is another company that has reduced salaries but increased commission to give more incentive. The Cadillac Motor Car Company of Chicago has added a bonus arrangement to salaries to encourage the salesmen in building up volume. A well-known paper company, whose men have heretofore worked on commission with drawing accounts, has dropped drawing accounts, but has increased the rate of commission on stock items to encourage extra effort on the part of the men and at the same time to achieve quick turnover on the items mentioned. The Skinner Manufacturing Company has increased commission rates, operating on a straight commission plan.

An electrical wholesaler in the middlewest reduced salaries 10 per cent a

\*Part I appeared in SALES MANAGEMENT for October 3.

## Some of the Important Questions This Survey Answers:

- Q1. To what extent are salesmen's salaries being reduced, and how much?
- Q2. What changes are being made in compensation plans to give salesmen greater incentive?
- Q3. How are profit-sharing plans working out under depression conditions?
- Q4. Where and how much are salesmen's expenses being cut?
- Q5. Are salesmen's territories changing, and why?



year ago. Road men were changed from salary to commission, giving them 25 per cent of gross profit on all orders turned in from their territories. The salesman pays both his own expenses and expenses for his automobile.

"This plan has saved us about \$100 a month on each man," the president of this organization reports. "As you know, very few salesmen in the sparsely settled districts are making their expenses during these depressed times. When I say it is a saving to us, I do not mean that we are making anything on them. In fact, their sales are so small that we are really losing on them, but for the good of the organization we must keep them going."

This appreciation of the need for keeping an organization integrated even though some parts of it must be temporarily carried at a loss is evident in a number of cases. J. G. Williams, sales manager, Harbison & Garthright, of Louisville, Kentucky, comments: "Our method of compensation has, in the past, been a strictly commission one. We are now giving each man a drawing account each week, enough for expenses and a bare existence for himself and family. Commissions are figured against his drawing account and a bonus given if made. We are using this method only during the so-called depression. It is not satisfactory, but, we think, charitable."

A change to salary and commission has enabled the Pacific Pipe & Supply

Company to keep a number of men who otherwise would have had to be dropped entirely. Formerly men for this company operated on straight salary with a set allowance for automobile expenses and a set allowance for personal expenses. On a few items the company was especially anxious to push a commission applied.

Under the new plan the commission is the same, but in a few cases where a man's territory is expensive to travel the company is allowing a little larger salary. No personal or auto expenses are paid now.

"A few of our salesmen are regularly receiving more under the new plan than they did formerly, a good many are breaking even, and a number are getting less," said H. F. Haldeman, president, in reporting on the results of the new system. "The salesmen whose incomes have been reduced are not very enthusiastic about the plan, but they all seem to realize that it is fair and that it gives them a better opportunity when business does pick up. Inasmuch as the men who are receiving less under the salary and commission plan would have had their salary revised on the basis of their present showing or been dropped entirely, we believe that the plan is satisfactory, both from the standpoint of the house and the salesmen."

The New England Confectionery Company has hit upon a somewhat unusual plan for the handling of distant territories where the sales cost has been

excessive. In these districts they have changed the salesmen over from a salary and expense basis to a brokerage basis of 5 per cent, thereby establishing a fixed sales cost. There has been no falling off in volume in these territories, and in two of them the company is now enjoying a somewhat larger volume than formerly at a lower fixed cost. In other territories this company has reduced salesmen's salaries 5 per cent.

An interesting case of a change of basic plan which is distinctly against the general trend is that of the Commercial Furniture Company of Chicago. This company has changed from commission to straight salaries. They're looking into the future in adopting this line of action. "We feel that in spite of bad business conditions it is absolutely necessary to contact our dealers in the way of sales promotion effort," says L. E. Hooker, sales manager. "We can hardly expect to have our men act in the capacity of sales promotion men on a commission basis. We have added additional men to our selling force in the last few months, not because our volume justifies it, but because we think now is the time to assist and help dealers, and when other companies are cutting down their efforts it is a good time for us to get new dealers where we have no representation or better our dealer situation where we have representation."

SALES MANAGEMENT is currently  
(Continued on page 74)

# For today's sales . . .

## *bait your line*



★8

### Jobs that business paper advertising can do NOW

Here's one of ten ways in which business paper advertising can help your salesmen get business . . . today.

★ *It can protect your product from substitution by jobbers or distributors—build up a name that your prospects will demand.*

This and the other uses of business paper advertising are explained in our book, "Industrial Advertising at Work." We will gladly send you a copy on request.



# McGraw-Hill

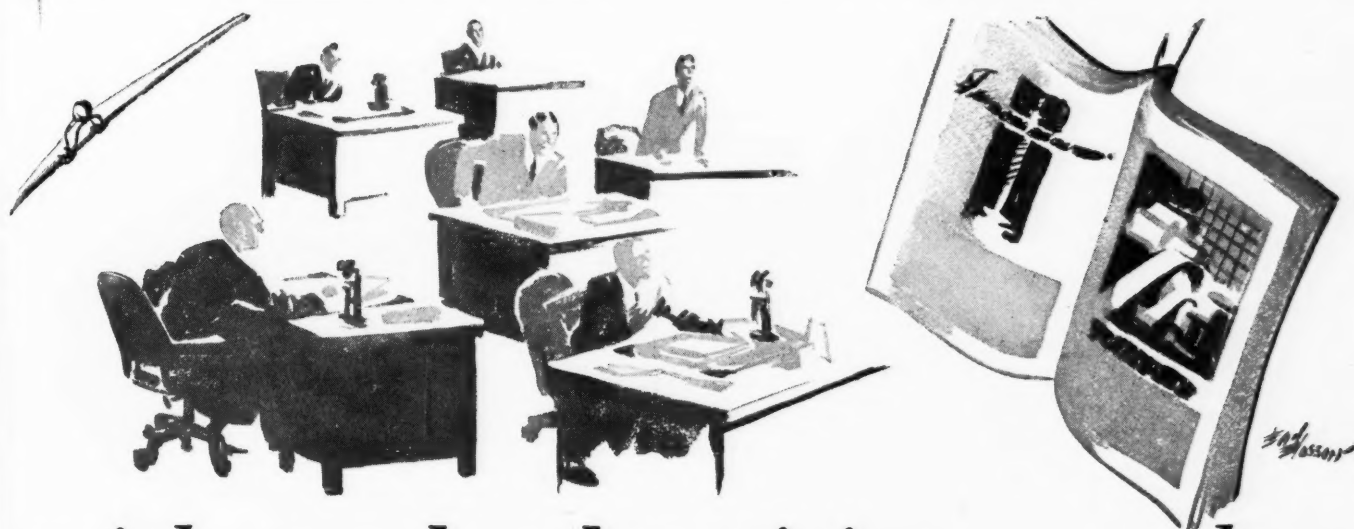
New York • Boston • Philadelphia • Washington • Greenville

Business men, industrialists and engineers—600,000 of them—regularly read the McGraw-Hill Publications. More than 3,000,000 use McGraw-Hill books and magazines in their business.

Radio Retailing  
Electronics  
Food Industries  
Chemical & Metallurgical  
Engineering

Electrical World  
Electrical Merchandising  
Electrical West  
Power





*me with good advertising . . . then drop it where the fishing's good*

Advertising dollars are valuable sales-bait. Too valuable, today, to drop into any pond but the one stocked *exclusively* with the kind of catch you want.

If you're after industry and business, concentrate your efforts in the McGraw-Hill pond. Here are 600,000 business men, industrialists and engineers sorted out for you—the men who can give or withhold the orders. They—*and they alone*—read McGraw-

Hill Publications. They—*and they alone*—are the men your advertising must reach to make sales today.

Tell them your sales story through McGraw-Hill Publications. They'll listen. In a recent survey, 69% of those questioned declared that they not only read their business papers, but use them as buying guides! They pay in advance for their yearly subscriptions—to keep informed of new equipment, methods and services.



## McGraw-Hill PUBLISHING COMPANY, Inc.

Cleveland • Detroit • Chicago • St. Louis • San Francisco • Los Angeles • London

American Machinist  
Product Engineering

Engineering News-Record  
Construction Methods

Engineering and Mining Journal  
Engineering and Mining World  
Metal and Mineral Markets  
Coal Age

Electric Railway Journal  
Bus Transportation  
Aviation  
Textile World

Factory and Industrial Management  
Maintenance Engineering

The Business Week  
System

# Do We Need More Bank-Minded Sales Managers?

BY G. PRATHER KNAPP

*Director of Banking Publications, Rand McNally & Company, New York and Chicago*

**N**OT long ago the Marine Midland Banks of New York State headed one of their advertisements "The Sales-Minded Treasurer." My title puts the reverse-English on theirs and, as I write it, I am wondering if there are not almost as few of my kind of sales managers as there are of the Marine Midland's type of treasurers.

As I conceive him, the bank-minded sales manager would be the sort who reads figures more closely and more intelligently than the average. He would be the sort who prefers profit volume to sales volume and particularly the sort who realizes the dollar value of the time element in modern business.

He would have almost as many banker friends as the average vice-president and treasurer plays with and from them he would absorb one or more of the following mental attitudes:

1. No sale is a sale until the bill is paid in full.
2. Better a restricted list of definitely profitable customers than a larger list with numerous "small fry" and numerous "in-and-outers."
3. Investigate before investing sales brains, sales time or sales expense in any given prospect or selling field.
4. Above all things increase confidence by every sale.

The bank-minded sales manager would inevitably learn something from bankers about how his house compared with other houses as a bank risk. This would open his eyes to what the banker believes sales departments are for.

To the banker, the main desideratum of a business is liquidity. This means the innate ability to turn inventory and receivables into cash by orderly systematized and stabilized processes. Slow lines and bad debts are the banker's bugaboos. Your brilliant success with a new product will not mean much to him if the greater part of your inventory has been neglected. Your success in getting the other fellow's customer will not help you with the banker if it is the other fellow's unwanted customer that you get, or if the other fellow's customer is yours by reason of longer credits or "easier" collecting than the other fellow would give him. Like all good specialists,

Most sales executives feel that bankers are lacking in understanding of selling problems. And most bankers feel that sales executives do not adhere closely enough to banking principles in the conduct of their businesses. If a clearer understanding could be gained by each as to the other's point of view, much would be accomplished toward narrowing the breach that so often exists. Mr. Knapp has served as a banker and also as a bank advertising manager, a bank advertising agent and bank publisher. He is, therefore, well qualified to write on this subject.

the banker wants you to leave banking in specialized hands.

So far I have given the negative lessons of banking to sales management—the "don'ts" that make for better business.

Now for a few of the positive angles—the active improvements in sales management which may grow out of a closer study of successful banking methods.

First of all, the good banker is always operating on *today* through an intensive study of *tomorrow*. Since his profits are all made by waiting (or getting some customer to wait) for money, he has been forced to a much closer study of underlying business factors and controlling economic trends than the average sales manager makes.

Sales ammunition represents a certain definite investment, but when it "brings home the bacon" the cost of it is so low as compared to the money return that

some sales managers are less critical of it than they would be if, like the banker, they had to send a hundred dollar bill on a year's journey to get back a five.

The more bank methods are adopted by sales managers (provided always that enterprise and courage do not suffer) the less we are likely to hear of banking brakes on business progress.



Cartoon from Judge

Caption by Sales Management

"Just for that, I'll go over his head to the president."

# HISTORY



Basically, broadcasting is as old as Greek civilization. Centuries ago philosophers and statesmen molded the opinions of thousands from a dais in the forum. Down through the ages other, and less effective, methods of persuasion supplanted the human voice. Now, radio has brought back to selling the powerful influence of the spoken word. This is the reason for the prodigious success of broadcasting as an advertising medium. WLW is assuming successfully the role of "MOLDER OF OPINIONS."

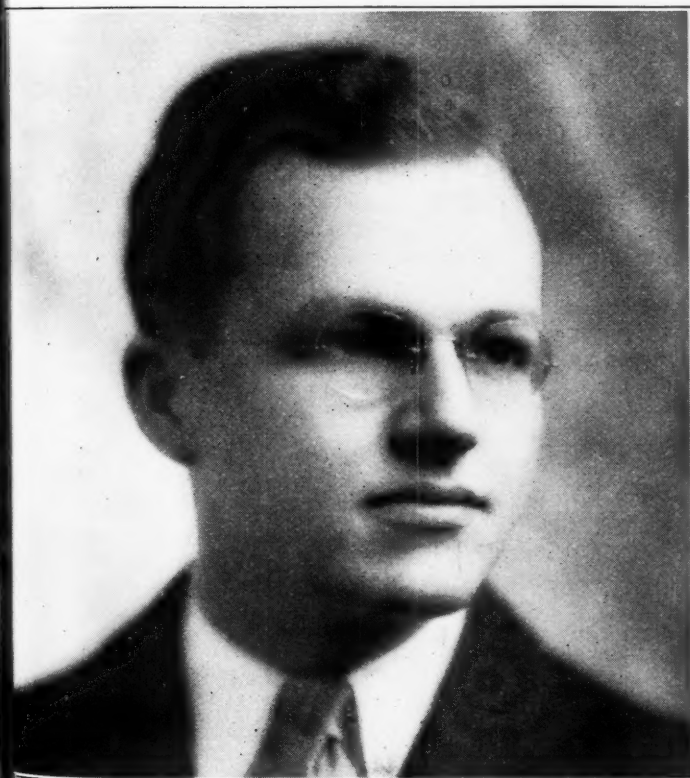


50,000 Watts  
700 Kilo.

# WLW

Write for the  
WLW Booklet

"THE NATION'S STATION"



EUGENE PERAZZO  
(Organist)



ARTHUR CHANDLER, JR.  
(Organist)

## THE CROSLEY RADIO CORPORATION

CINCINNATI, OHIO





*This Buick poster won first place among the twenty-four sheets shown at the Second Annual Outdoor Advertising Art Exhibit.*

## Buick and Camay Win Top Awards in Chicago's Poster Exhibit

E. J. Poag, assistant sales manager in charge of advertising and sales promotion for the Buick Motor Company and a subscriber to *SALES MANAGEMENT* for the last seven years, received the first award for twenty-four-sheet posters in the Second Annual Outdoor Advertising Art Exhibit, sponsored by the Chicago Association of Commerce. There isn't a single pretty girl in the posters awarded the first three prizes,

and the Camay poster, illustrated here-with, winner of the first prize among three-sheets, shows a matronly beauty. The old idea that sales are one thing and advertising something else again was blasted by Mr. Poag's statement: "Advertising and sales are one. That poster is best which gears directly into the selling problem. Most advertising men fail to get close enough to the sales problem. The prize-winning Buick poster was related directly to our selling situation. Buick was known as a staunch, sturdy car, but in introducing this eight we wanted it known as a brilliant, fast automobile, and we believe the idea was put across."

### Many a "Lucky" Veteran Among Younger Stars

NEW YORK—An aggressive attack upon the "youth market" has just been inaugurated by the American Tobacco Company in a newspaper advertising campaign for Lucky Strike cigarettes.

Testimonials and photographs of twenty prominent motion picture stars—all of them users of Luck Strikes exclusively for several years—are being employed in the series which will run for seven weeks, an official of the company told this magazine.

It is emphasized in the copy that the testimonials are not paid. So many stars responded to the company's invitation to participate that alternate advertisements are being used for almost every one in the series.

The copy will appear in more than 1,700 newspapers.



*The best three-sheet.*

## Principal Advertisers Use More Color Space, A. N. A. Survey Finds

NEW YORK—Of the twenty-eight advertisers who spent \$1,000,000 or more each during 1930, nineteen have reported to the Association of National Advertisers that out of their total \$38,986,023 in national magazines, \$24,666,340, or 63½ per cent, was for color.

Of a gain in total revenue of \$23,946,569 of twenty-seven principal magazines in 1929 over 1928, 64.8 per cent was due to increased revenue, the magazine committee of the association points out in issuing this week a study on "Color in Magazine Advertising." Fred R. Davis of General Electric Company, Schenectady, is chairman of the committee. The study, which required two years, was made by Edward Strassman of the A. N. A. headquarters staff, secretary of the committee. The entire work was supervised by the association's research council, of which H. A. Hey, of Singer Sewing Machine Company, New York, is chairman.

The survey covered the development of color printing; the purpose of color in magazine advertising; presents comparative studies of color rates, of costs of space, plates and art work, and of color revenue of magazines, and compares with pulling power of color with "black and white."

The principal reasons for using color, as summarized from a questionnaire to a number of prominent advertisers, were: by 23.7 per cent "attention value," by 27.1 per cent "color values in product," 10.3 "color values in showing usefulness of product," 12.7 "psychological value (innate appeal) of color," 12.7 "aid in depicting environment (atmosphere) for the product," 9.3 "adding reality to human interest appeal," 2.5 "special color position" and 1.7 miscellaneous.

### GMC to "Parade" States in New Radio Series

NEW YORK—"The Parade of the States," new radio series, will be inaugurated by General Motors Corporation, beginning Monday evening, October 12, over a nation-wide NBC network.

Each program will be built around the songs, traditions and history of a certain state, and will be in charge of Erno Rapee, who will also lead the orchestra.

## Scion of Standard Oil Prescribes Merger Remedy for Candy

NEW YORK—E. T. Bedford, son of F. H. Bedford, vice-president of the Standard Oil Company of New Jersey and nephew of the late E. T. Bedford, president of Corn Products Refining Company and former associate of John D. Rockefeller in the old Standard Oil Company, has started in to apply some Standard Oil methods to the candy business.

For a number of years E. T. Bedford, now about forty-five, has been president of Repetti, Inc., New York candy manufacturer. Repetti was one of some twenty-seven leading box candy manufacturers in the country—only five of which, due to excess factory capacity, speculation in sugar, water in stock, and the increasing public preference for the five- and ten-cent bars developed by newcomers to the field, were making money.

So a few months ago Mr. Bedford took four of these twenty-two concerns and merged them together as Candy Brands, Inc., with himself as president.

The organizations have been revamped, excess producing capacity eliminated, new sales policies formed and an intensive advertising campaign planned.

Candy Brands, Inc., is composed of Walter M. Lowney Company, E. Greenfield & Sons, Samoset Candy Company and Repetti.

Three groups of salesmen are now employed, to carry, respectively, the Greenfield, Lowney and Samoset lines. Each of these groups is under a divisional sales manager. They are all under the supervision of A. E. Phillips, director of sales.

The first advertising campaign, appearing in double-page color spreads in the *Saturday Evening Post* and in color pages in the *American Weekly*, emphasizes the fact that Lowney's American Beauty chocolates, at seventy cents a pound, are "Back to the Price of Twenty Years Ago." Greenfield's Chocolate Sponge, a twenty-five-year-old candy bar, will also be mentioned in the *American Weekly* copy. In every advertisement the functions of Candy Brands Institute, with Ida Bailey Allen in charge, will be described. The institute is also on the air.

Although the products are sold and advertised nationally, the bulk of Candy Brands' distribution is in the twenty-five states east of Kansas City and north of the Mason-Dixon Line, where 85 per cent of the nation's

candy is consumed. Candy Brands, an executive of the company informed this magazine, is entirely a manufacturing concern. It does not contemplate the ownership or operation of retail stores.

## Stanolind Inaugurates Intensive Campaign on New Gasoline

CHICAGO—The largest three-month advertising campaign in its history was inaugurated this week by Standard Oil Company of Indiana, with the announcement of a new gasoline in 1,462 newspapers in the thirteen north central states in which the company operates, in business, class and national magazines, direct mail and on the air, in connection with the broadcasting of middlewest football games from WGN, Chicago, and in twice-a-day announcements from thirty-one stations in that territory.

Following a series of "teaser" advertisements, the newspaper campaign will start October 15.

These newspapers have a circulation of 12,571,677 in a territory of 32,000,000 population where 8,371,750 cars and trucks are operating with a gasoline consumption of nearly 5,000,000,000 gallons a year. Follow-up advertisements will appear regularly in the following two months.

A program on motor oils, in progress since last March, will be rounded out in the last quarter of the year, with advertisements in 130 newspapers.

## Lee and Dunn Elected by Simmons-Boardman

NEW YORK—Samuel O. Dunn was elected chairman of the board and Henry Lee president of Simmons-Boardman Publishing Company, and Mr. Lee chairman and Mr. Dunn president of its affiliate, American Builder Publishing Corporation, this week—succeeding to the offices held by the late Colonel Edward A. Simmons. Out of respect to Colonel Simmons' memory, the chairmanship and presidency of Simmons-Boardman Publishing Corporation, the holding company, were not filled at this time. Mr. Lee has been vice-president in charge of the business department of the companies and Mr. Dunn vice-president and editor-in-chief.



*This striking photograph is being used in current Jell-O promotion*

## Jell-O Pushes Premium Plan in Newspapers of 350 Cities

NEW YORK—An offer of four aluminum molds and a recipe book with each purchase of six packages of Jell-O, now being promoted by General Foods Corporation, New York, in a newspaper advertising campaign in 350 cities and towns, has increased the sales of this product to new records.

The plan also is being carried out through window and counter material for dealers. The regular Jell-O advertising in women's magazines continues. One thousand-line space in newspapers of 333 cities and towns and 2,000 lines in those in metropolitan centers were taken by the corporation for the initial announcement. It is expected that at least 750,000 lines will be taken altogether to support the offer. Electrotypes of the product and the molds have been prepared for use in the dealers' own advertising. Tried out first in a limited territory, the company found that 50 per cent of Jell-O customers now use the products in making salads, to which the molds are especially adapted.

The campaign is being "staggered" throughout the 350 cities. The salesman calls on dealers in a certain city, takes their orders and forwards them to the jobber, indicating on each order the date when the Jell-O and the molds are to be delivered. The dealers then tie in with the company's announcement in their own advertising.



## Little Mr. Seiberling, Builder and Salesman, Comes to Fore Again

AKRON—Sales to dealers of the Seiberling Rubber Company increased 46.95 per cent in the first seven months of 1931 as compared with the same period of last year. No reduction in wages or working hours is contemplated by the company, which is now operating four six-hour shifts at its plant. Business and morale both are pretty good, says F. A. Seiberling, and profits are averaging more than \$100,000 a month.

Mr. Seiberling did not say this to SALES MANAGEMENT. Another executive passed the word on. Mr. Seiberling spends these days traveling throughout the country calling personally on dealers, telling them about the company's new air-cooled tires and how to sell more of them. The company is now introducing a Duo-Tread tire to supplement the Triple-Tread, which was launched last February.

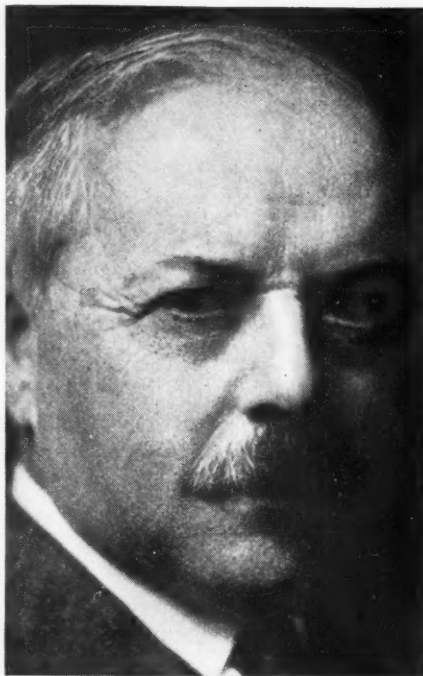
The "Little Napoleon of Rubber," Mr. Seiberling has been making and selling tires since 1898, when he first put them on carriages. Among his contributions to the automotive tire industry were the first straight side tire, the first tire-building machine and the first quick-demountable rim, with locking ring.

He was founder of and until the depression of 1921, when the bankers squeezed him out, president of Good-year Tire & Rubber Company, largest producer in the industry. He then established the Seiberling company, and has done well with it. It has been considered logical that Goodyear and Seiberling and other factors in the industry some day will merge, with F. A. Seiberling in charge of the combination.

Already he has supervised the building and selling of 50,000,000 tires and he hopes to build as many more before he is through.

The Seiberling company claims that the Triple-Tread tire has twice as much and more mileage than the products of its six leading competitors.

The new products, and the intensive local and national advertising employed to promote them, have attracted a number of new dealers in the last half year. "A new product, incorporating evident improvements, divorces itself from the bargaining which makes it so difficult for the merchant today to show a profit," the executive explained. "The fact that this tire has sold at the highest price proves that people still will buy products which have real selling points."



F. A. Seiberling

## Electric Association Acquires Institute

NEW YORK—The Electrical Association of New York has acquired the Westinghouse Lighting Institute in the Grand Central Palace there and has changed its name to the Electrical Institute of New York. The institute will become the association's headquarters.

Supplementing the present lighting exhibits and demonstrations, other applications of electricity will gradually be added. The plan to take over the institute was initiated by Clarence L. Law, president of the association and general commercial manager of the New York Edison Company.

A code of standards will be established for merchandise and business ethics in connection with the institute. Direct sales efforts on the part of exhibiting companies will be discouraged. All inquiries with respect to equipment or service will be passed on to manufacturers.

Advertising will be a part of the association's activities—the budget, it is said, approximating \$200,000 annually.

Ralph Neumuller, formerly director of the Westinghouse Lighting Institute, has been named managing director of both the association and the institute.

## Parker Heads Auto Cinema

NEW YORK—Horace Parker has been elected president of the Auto Cinema Sales Company, Inc., which has just established sales and production headquarters at 370 Lexington Avenue here. The company will distribute a sound-on-film advertising projector in the United States and Canada.

## Recipe Contest Boosts Japanese Crabmeat Sales in U. S.

NEW YORK—More than 7,000 entries were submitted by housewives throughout the country in a recipe contest advertised in newspapers and dealer media by the Japanese Canned Crab Packers & Exporters Association. The contest closed September 15. The winners will be announced soon.

A label from a can of Japanese crabmeat accompanied each entry. Prizes totaling \$1,000—the first of \$500, and thirty-two of amounts ranging from \$250 to \$5—are being awarded.

Many dealers, independent and chain, took advantage of the contest to stock the product in advance of its opening, August 20, and to tie-in with it in its own advertising. One of these was A. & P.

Four insertions, ranging from 1,000 to 400 lines, were employed. Newspapers were selected on the basis of proportion of women readers; inclination of readers to buy gastronomic specialties without too much consideration of price; volume of food advertising and degree of merchandising cooperation. Leading brands of Japanese crabmeat were advertised simultaneously with the association's insertion.

Rudolf Mosse, Inc., New York office, is in charge of the program.

Judges are Katharine A. Fisher, Good Housekeeping Institute; Greta Palmer, New York *World-Telegram*; Martha Lee, Boston *American*; Esther E. Kimmel, Herald-Tribune Institute, and Marjorie Mills, Boston *Herald-Traveler*.

## Auto-Lite to Introduce Electric Clocks at \$1

TOLEDO—Electric clocks to retail through chain, mail-order and department stores for one dollar are now being manufactured by the Electric Auto-Lite Company here.

Orders for 100,000 already have been received, and the production schedule is 10,000 daily.

The company is not yet ready to announce in detail its sales and advertising plans, D. H. Kelly, vice-president, told this magazine.

It is also reported that Electric Auto-Lite has acquired manufacturing rights and patents to an electric refrigerator.

NEW YORK—Sales and accounting departments of the New York Multigraph branch have moved to the present Addressograph sales offices at 329 Fifth Avenue, the Addressograph-Multigraph Corporation announced this week.



# Must the ADVERTISER *Hold the Bag* in face of declining prices?

## COMPARE With Any Other Magazine

### HOW MUCH?

Liberty averaged 2,401,416 weekly circulation for 1930, 2,411,612 for the first half of 1931.

### WHO?

Liberty is deliberately edited for both men and women. It is read by 2,750,000 men and 3,009,000 women. Result records have been broken for men's and women's products alike.

80% of all Liberty families above \$2,000 income class  
65.8% U. S. average  
52% own homes  
37% U. S. average  
84% have telephones  
39% U. S. average  
58% have radios  
46% U. S. average  
50% have vacuum cleaners  
37% U. S. average  
34% have electric washers  
29% U. S. average  
15% have mechanical refrigerators  
8% U. S. average

\*In cities covered by Starch Survey

### WHERE?

Liberty concentrates three-quarters of its circulation in cities over 25,000 population. Liberty places more circulation here (where major part of all retail business is done) than any other magazine.

### HOW READ?

Liberty is wanted enough by its readers, that 99% of them buy voluntarily week after week. No expensive subscription crews are necessary to sign up readers 6 months or a year or two in advance. 99% single copy circulation is 99% guaranteed-to-be-read circulation.

Then, instead of burying 90% of its advertisements after the start of the last story, Liberty alternates advertisements and story leads throughout the book. Surveys show this nearly doubles readers-per-advertisement.

THE YARDSTICK OF CIRCULATION QUALITY

COMMODITY prices have dropped 30 per cent. You get somewhere around that much less for what you sell.

Must you pay as much as you did before for what you buy?

Of course, many magazines have justified their failure to follow the price trend by making expensive editorial improvements. And the justification may be sound.

But Liberty's cost has declined 35 per cent since 1926 — and beginning January 2nd, 1932, Liberty will spend over a quarter-million dollars more a year in the interests of a more attractive magazine.

### A Timely Move

At the peak of a circulation success unequalled in publishing annals, Liberty was acquired last April by Macfadden Publications, Incorporated.

The first announcement was that the winning editorial formula of dramatic, newsy, concise material by famous authors and artists would be retained. And even stepped up to the tune of \$100,000 more a year. But the second announcement betokened a move that would have striking interest for advertisers.

Paper and printing were to be radically improved.

Now, two distinct steps in this direction have already been taken. And recently the third was indicated by press dispatches telling of the largest quality paper order ever placed by a single magazine. Involving an expenditure of \$160,000 more, a year.

This latest advantage will be apparent in the issue of January 2nd, 1932.

### What Advertisers Get

This season advertisers everywhere are putting Liberty on their desks for consideration.

They are finding that their dollar buys:  
Liberty . . . . . 565 families  
Average of 3 other Weeklies . . 377 families  
Average of 2 Monthlies . . . 391 families  
Average of 6 Women's  
Magazines . . . . . 286 families

Faced with the problem of matching Post-Depression profits with Post-Depression advertising value, they find that the Liberty dollar gives them:

50 per cent more families than other Weeklies  
45 per cent more families than Monthlies  
98 per cent more families than Women's Magazines

### What They Are Doing

That advertisers welcome the opportunity of enjoying for themselves the increased value that they have already passed on to the consumer may be seen from this statement: Within 60 days of the announcement of new management, 92 advertisers and 58 agencies had placed \$1,521,677 in new Liberty orders.

And from the rate at which new orders arrive as the main list-making season approaches, it would seem that fewer and fewer advertisers are going to be content to hold the bag so long as this major medium offers them a way out.

Write without obligation for booklet: "To every man with \$1 to spend in advertising." Liberty Magazine, 2748 Graybar Building, New York City.

### AMONG ADVERTISERS NOW APPEARING IN LIBERTY

American Safety Razor Corp.  
American Tel. & Tel. Co.  
American Tobacco Co.  
Axton-Fisher Tobacco Co.  
B. V. D. Co.  
Barbasol Co.  
Bauer & Black  
Beech-Nut Packing Co.  
Borden Co.  
Bristol Myers Co.  
Brown & Williamson Tobacco Co.  
Chesebrough Mfg. Co.  
Chi., Mil., St. Paul & Pac. R.R.  
Chrysler Motors Corp.  
Cluett-Peabody & Co.  
Coca-Cola Co.  
Columbia Pictures Corp.  
Crosley Radio Corp.  
R. B. Davis Co.  
Jos. Dixon Crucible Co.  
Encyclopaedia Britannica, Inc.

Ethyl Gasoline Corp.  
Florida Citrus Exchange  
General Motors Corp.  
Gillette Safety Razor Co.  
Alexander Hamilton Institute  
Hewes & Potter  
Hinze Ambrosia, Inc.  
Chas. E. Hires Co.  
Houbigant, Inc.  
Indian Refining Co.  
International Mercantile Marine  
Jantzen Knitting Mills  
Johnson & Johnson  
Kellogg Co.  
Kolyos Co.  
Kress & Owen Co.  
Lambert Pharmacal Co.  
Larus & Bros. Co.  
Lever Bros. Co.  
Liggett & Myers Tobacco Co.  
Mennen Co.

Philip Morris & Co.  
Northwestern Yeast Co.  
Norwich Pharmacal Co.  
Parker Pen Co.  
Pepsodent Co.  
Pompeian Co., Inc.  
R. C. A.-Victor Corp.  
R. J. Reynolds Tobacco Co.  
A. G. Spalding & Bros.  
Stanco, Inc.  
A. Stein & Co.  
Texas Co.  
Vapo Cresolene Co.  
Veldown Company, Inc.  
Wander Co.  
G. Washington Coffee Co.  
L. E. Waterman Co.  
R. L. Watkins Co.  
Western Clock Co.  
W. F. Young Co.  
Zonite Products Corp.

Liberty . . . a weekly for the whole family  
PRICED FOR POST-DEPRESSION

## Account Changes

**FORHAN COMPANY, INC.**, New York, subsidiary of Zonite Products Corporation, Forhan's toothpaste, United States, England and Canada advertising to McCann-Erickson, Inc., New York. Effective January 1.

**THOMPSON'S MALTED MILK COMPANY, INC.**, Waukesha, Wisconsin, subsidiary of Borden Company, to Young & Rubicam, Inc., New York. Effective January 1.

**DAIRMEN'S LEAGUE COOPERATIVE ASSOCIATION**, New York, to Hanff-Metzger, Inc., there.

**FLORISTS' TELEGRAPH DELIVERY ASSOCIATION**, Detroit, to Brooke, Smith & French, Inc., there.

**MAPCO POTATO COMPANY**, Boston, to Batten, Barton, Durstine & Osborn, Inc., New York City.

**MUNISING PAPER COMPANY**, Munising, Michigan, Caslon bond, to Dunham, Younggreen, Lesan Company, Chicago.

**UTILITIES POWER & LIGHT CORPORATION**, New York, international public utilities holding company, to Donahue & Coe, Inc.

**SILENT GLO BURNER COMPANY**, Hartford, oil burners and oil-burning units, to Lyman Irish & Company, New York.

**GLASS CONTAINER ASSOCIATION**, New York, to James F. Newcomb & Company, Inc., there.

**VALVOLINE OIL COMPANY**, New York, and **GALENA OIL CORPORATION** (recently acquired by the Valvoline company), oils and greases, to Keelor & Stites Company, Cincinnati.

**FOX FILM CORPORATION** and **FOX THEATRES CORPORATION**, New York, to Donahue & Coe, Inc., there.

**GRAHAM COMPANY**, Boston, national distributor for New Balance arch supporter, to Porter Corporation, there.

**PACIFIC COAST PAPER MILLS**, Bellingham, Washington, "M.D." tissue, to Botsford, Constantine & Gardner, Inc., Portland.

**KROYDON COMPANY**, Maplewood, New Jersey, golf balls and clubs, to Samuel C. Croot Company, Inc., New York City.

**CLEMON BROTHERS, INC.**, Middletown, New York, Star hack saw blades, to O. S. Tyson and Company, Inc., New York and Syracuse.

**WILLARD STORAGE BATTERY COMPANY**, Cleveland, to Meldrum & Fewsmith, Inc., there.

**PAN AMERICAN AIRWAYS, INC.**, New York, to Batten, Barton, Durstine & Osborn, Inc.

**CANDY BRANDS, INC.**, New York, merger of Walter M. Lowney Company, E. Greenfield & Sons, Samoset Company and Repetti, Inc., to Hanff-Metzger, Inc., there.

## Electric Refrigerators Sold for Quarter a Day through Slot Device

**CHICAGO**—Whether it's the merits of the electric refrigerators or the easy discipline of the twenty-five-cents-a-day slot device by which they are sold, retailers throughout the country are now building up their refrigerator volume to unexpected levels under this new method of instalment buying.

In the thirty-one stores throughout the middlewest of the Hartman Corporation, Chicago, for example, sales increases have been reported as high as 400 per cent since the method was adopted. Stores in Los Angeles, St. Louis, Baltimore, Milwaukee and New York are now employing the plan—the New York franchise being held by Bloomingdale's. The coin slot device, which is placed on top of the refrigerator, is manufactured by Meterice, Inc., Los Angeles.

Hartman places refrigerators retailing at \$225 into homes without down payment. A quarter deposited in a slot, operating a clock, gives current for twenty-four hours. Once a month collections are made and the money is credited on the purchase. A carrying charge of 6 per cent is added to the \$225. If refrigerators costing more are desired, a down payment to reduce the balance to \$225 is required.

Thus far all of Hartman's sales have been made through regular promotion channels, but it is reported that the company is considering the employment of staffs of solicitors to make home calls.

The meter is so arranged that a supply of quarters may be dropped in at one time—beforehand.

Robert B. Rose, general manager of Meterice, Inc., is now in New York supervising distribution of the new product throughout the east.

## John Fontaine to Direct United Drug Promotion

**BOSTON**—John Fontaine, formerly of Thompson & Coke, Inc., Cincinnati, has been appointed sales promotion and advertising manager of the United Drug Company and Drug, Inc., to succeed Harry L. Harding.

Mr. Harding, who held that position for ten years, has established Counselors, Inc., here, to specialize in the advertising and merchandising of medicine, drugs, sundries and allied lines.

**ST. LOUIS**—The story of the development of fuses is contained in a booklet, "Fuseology," which has been published by the Bussmann Manufacturing Company here.

## Gossip

Bigelow, Bowers & Thompson, Inc., is announced as the new name of Burton, Bigelow, Inc., Buffalo advertising agency. EVERETT L. BOWERS, previously with the White Motor Company, Cleveland, and Packard Motor Car Company, Detroit; and OWEN F. THOMPSON, with E. P. Remington Advertising Agency, Walz Advertising Agency and the Beaver Board Company, of Buffalo, were for many years substantial stockholders in the company.

Donahue, Coe & Mayer, Inc., New York agency, has changed its name to Donahue & Coe, Inc., with the retirement from the firm of JOHN G. MAYER. EDWARD J. CHURCHILL, for several years with H. E. Lesan Advertising Agency, Inc., and later with the Paul Cornell Company, Inc., has been elected vice-president, succeeding Mr. Mayer, and manager of the new office, at 1790 Broadway. The 60 Broad Street office will continue.

ILIFF M. SIMPSON, for the last six years head of Simpson Merchandising Service, has joined the marketing division of Albert Frank & Company, New York. HENRY I. MCGILL, who also joined the company recently, was for many years in charge of transportation advertising in the New York *Evening Journal* and other Hearst newspapers.

S. B. WILDRICK is now with Mark O'Dea & Company, New York agency. For the last four years he had been a partner in the former agency of Conklin-Mann, Inc., there.

E. C. KINSLOE, recently with the Rogers-Gano Advertising Agency, Houston, Texas, has become district advertising manager of Sears, Roebuck & Company, San Antonio.

King & Wiley & Company, Inc., Cleveland, has joined the American Association of Advertising Agencies.

CARL RIBLET, recently resigned from J. Walter Thompson Company, where he was in charge of radio publicity, and DOUGLAS J. MURPHEY, who had been assistant advertising manager of Wilson Brothers, Chicago, have formed Riblet & Murphey, radio advertising, at 333 North Michigan Avenue there. Mr. Riblet is president, Mr. Murphey vice-president and treasurer, and FRANCIS E. BRENNAN art director.

Charles E. Dunbar Associates, sales management engineer, is now located at 22 East Fortieth Street, New York.

EVERITT LEONARD has been appointed art director of G. Lynn Sumner Company, New York agency.

W. E. D. SCHWARTZ, of the United Advertising Corporation, Newark, New Jersey, has been transferred, on the sales staff, to the Allentown office of the Lehigh Valley Outdoor Advertising Company.

LLOYD M. CLARK, formerly director of markets and media, with F. J. Ross Company is now an account executive with Lavin & Company, Inc., Boston agency.



# Tax Collections in Oklahoma City\* 11% Better Than Last Year!

AS the saying goes—  
“There are only two  
things certain—death and  
taxes.” But there’s another  
—when taxes are being  
paid, people have money.

On September 14th, two months before second half taxes were due, 86% of the \$8,137,664 in 1930 taxes for Oklahoma City and Oklahoma County had been collected. This is believed to be the highest percentage ever received at this time of year. Last year only 75% had been collected at this time.

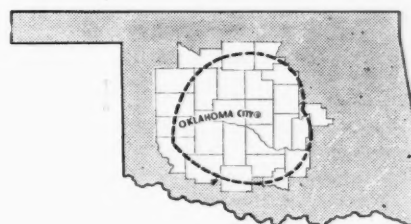
The ability of Oklahoma Cityans to pay their taxes promptly—the fact that they ARE paying them long before the “deadline”—is another of the many indicators pointing to Oklahoma City and its market as an above-average sales territory.

The best place to sell, naturally, is where people have money, where people are spending. Oklahoma City and its market is certainly such a place.

The sales promoting mediums which are most powerful, most economical, most profitable in this market are the Oklahoman and Times.

\*—and Oklahoma County.

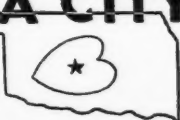
*The Cost of  
Effective Advertising  
Is LOW in the  
Oklahoma City Market*



THE Oklahoman and Times have 161,205 circulation in the Oklahoma City trade area. The combined circulation of 22 other daily newspapers in this area including the third Oklahoma City newspaper totals only 144,546. The Oklahoman and Times not only cover Oklahoma City better than 90%, but they give the advertiser 16,659 MORE circulation in the Oklahoma City trade area than the 22-paper combination, PLUS 36,084 circulation in Oklahoma outside the 26-county area—all this at less than one-third the milline cost of the 22-paper combination.

*The* **DAILY OKLAHOMAN  
OKLAHOMA CITY TIMES**

OKLAHOMA FARMER-STOCKMAN  
E Katz Special Agency



RADIOPHONE W K Y  
Representative



## Media

Did you know that the subscription and sales revenue of the *Literary Digest* is the largest in the world? They say that's why they can make that 25 per cent reduction on advertising rates. Their new booklet explaining the economics of the reduction contains figures on advertising costs in relation to comparable media.

Manufacturers who are striving intelligently to meet current demands by building into their products a maximum of value at a minimum of cost will be interested in the November issue of *Chemical and Metallurgical Engineering* in which is a report of west coast activities of the process industries. You know that rich deposits of natural resources are lying out there, in some states almost fallow. What to do about it? A map of the United States gotten up by "*Chem and Met*" shows the distribution of the process industries by states, with number of plants in each state and production in dollars of these plants. Taken in conjunction with that article in the November issue you've a pretty good picture of present concentration of the process industries and potential trends.

It wasn't much more than a month ago that *Capper's Farmer* initiated its College of Homemaking, a department of the magazine devoted to homemaking instruction in which the faculty consists of the heads of research laboratories of large national advertisers. It is a well-known fact that the best domestic science talent in the world gravitates to the large food, canning, textile and other manufacturers of products used in the home, and in placing the experience and knowledge of these experts at the disposal of its readers *Capper's Farmer* is doing a very real service. Obviously, and incidentally, it was a brilliant merchandising notion of *Capper's* in the first place. And in the second place, more than 4,000 *Capper's Farmer* readers enrolled in the course during its first month, with from 100 to 200 drifting in every day. From where they stand, 10,000 looks like an easy mark to shoot at.

The Newspaper Advertising Executives' Association will hold its convention in Chicago on October 20 as scheduled. But among those absent will be the Promotion and Research Managers Group, according to an announcement by George Benneyan of the New York *Sun* and chairman of the group. The next gathering of the P. and R. M. G. will be in the spring of 1932 when the N. A. E. A. and the A. F. A. converge. (For those who, like me, are stumped by this excess of initials: P. and R. M. G. equals Promotion and Research Managers Group; N. A. E. A., Newspaper Advertising Executives' Association; and A. F. A.—well, if you haven't retained that, you're not interested in the convention anyway.)

Walter Winchell's globules of gossip swim in so much well-spiced sauce (and they say it's not apple) that we're not sure when to take him literally. Says he: "Harvey Gibson has decided that billboard advertising is beneath the dignity of Manufacturers Trust—so they are taboo

henceforth." Dignity is as dignity does --and maybe having to eat one's words isn't so dignified either.

On October 26 the National Association of Broadcasters will open its ninth annual convention in Detroit. President Hoover will address the convention via radio. Walter J. Damm, president of the association, will address it in person, as will Mayor Frank Murphy of Detroit and Major-General Charles McK. Saltzman, chairman, Federal Radio Commission.

Junius P. Fishburn, president of the Roanoke Times-World Corporation, is the new vice-president of the United States Chamber of Commerce.

There are those among the best of us who could improve our telephone technique, especially if we're trying to sell something. For such as us, Jules Gilbert Mortiz is publishing a new magazine called *Telephone Selling*, just out.

The State Press Association of New Jersey thinks that competition is as much the life of publishing as it is of trade. Hence the annual competition among New Jersey newspapers at Rutgers University. This year the Newark *Evening News* strode off with a silver cup for general excellence, and with awards for the best first page and the best sports page.

We hope to have more on this next week, but for the nonce, you'll be interested in this:

A certain Mr. G. K. Goode has upped and taken a page in the *Saturday Evening Post* beginning November 14 which he has dubbed The Radio Listening Post. The space is for sale to all broadcasting comers for classified radio advertising, so if you've been awfully irked by the newspaper Boston tea party of radio announcements, here's your chance to get your story before almost 3,000,000 readers a week.

## Refrigerator Exposition Inaugurated in Chicago

CHICAGO—Fourteen well-known mechanical refrigerators are being shown this week at the first annual Electric Refrigerator Exposition, now on in the showrooms of the Commonwealth Edison Company.

One of the features of the exposition is a small refrigerator, on rubber-tired wheels, which can be moved from room to room in hospitals, hotels or other buildings. Westinghouse is the sponsor.

This company also is showing an article which so far has not been officially named. It is a sort of safe, about two by three by seven feet, containing a complete refrigerator unit plus monometal shelves spaced to a height sufficient to house bottles, shakers, etc. The whole thing locks up tight, which may be suggestive of something or other.

Copeland presents a vending machine which operates on new principles delivering a paper cup filled with orange juice for a dime.

## Plus Signs

+++ BENDIX BRAKE DIVISION of the Bendix Aviation Corporation reports that it has more accounts on its books at present than at any other time in its history.

+++ INCREASED PRODUCTION by Richmond tobacco factories has resulted in the addition of 300 workers to the pay-rolls.

+++ MISSOURI PACIFIC LINES recalled 950 workers to its shops at North Little Rock this week.

+++ SEVERAL AUTOMOBILE COMPANIES REPORT GOOD GAINS—AUBURN shipments in September were 851 compared with 427 last year. The total for the year to date is 32,896 compared with 13,693 for the entire year 1930. Earnings for the first nine months are \$16.77 a share compared with \$5.25 a share last year. Retail trade by DODGE BROTHERS dealers for the week ending September 19 exceeded the same 1930 week by 52.7 per cent, and is the eleventh consecutive week to show gains. OLDS MOTOR, division of GENERAL MOTORS, sold 2,590 cars in September as compared with 2,367 in August and 2,298 a year ago. Unfilled orders of the GRAHAM-PAIGE MOTORS CORPORATION are the largest in six months. CHRYSLER CORPORATION production in August was 232 per cent of the August 1930 output. REO September shipments were 1,205 units against 1,137 in August.

+++ BRADSTREET'S FOOD INDEX was \$2.16 last week as compared with \$2.15 the week before.

+++ MANY CHAIN STORES SHOW GAINS in dollar volume for this September as compared with last year. Among the gains were: Walgreen 6.4 per cent, J. J. Newberry 8.2 per cent, Schiff Company 10.3 per cent, Melville Shoe 4.1 per cent, Childs 1.3 per cent, H. C. Bohack 11.1 per cent, First National Stores .1 per cent, Dominion Stores 20 per cent, Loft 28.9 per cent, G. C. Murphy 10.8 per cent, Kline Brothers 13.7 per cent, Grand Union Company 1.3 per cent, Bickford's 30.5 per cent, W. T. Grant 5.37 per cent, Lerner Stores 3.7 per cent.

+++ EDWARD G. BUDD MANUFACTURING COMPANY purchases of castings and tool steels in August and September were greater than in any corresponding months since 1928.

+++ STINSON AIRCRAFT CORPORATION in the first nine months produced and sold approximately one-fourth of all the commercial airplanes in the U. S. A.

+++ STEEL INGOT PRODUCTION during the week ending October 5 gained 1.5 per cent over the preceding week.

+++ THE IRVING FISHER INDEX of Business Conditions gained 7.3 per cent in September.

+++ INTERNATIONAL HARVESTER COMPANY sales of vehicles in September were 1,633 as compared with 1,396 last year.

IN THE WORLD'S LARGEST AUDITORIUM

**W P G**

Its Studios, Reception Room and Business Offices are located in the Atlantic City Auditorium and Convention Hall. (The large Hall seating 41,000 people.)

15,000,000 visitors come to Atlantic City yearly; some time during their visit they come to the Auditorium. Thousands visit our studios. Glimpse behind the scenes of a broadcasting station . . . Tune in W P G on their return home—and hear the resort activities at all times. Many of them are or can be customers, tell them your story through W P G.



RECEPTION ROOM OF WPG—LOUD SPEAKER INSTALLED FOR YOUR CONVENIENCE

**WPG BROADCASTING CORPORATION**

STUDIOS LOCATED DIRECTLY ON THE FAMOUS BOARDWALK

ATLANTIC CITY

Operated by the COLUMBIA BROADCASTING SYSTEM



# Editorials

**A** RAINBOW OF PROMISE: It is too early to appraise the long effect of President Hoover's plan to restore public confidence, lack of which in recent months has been the worst factor in the business situation. The immediate response in the security and commodity markets was most promising. It was at once evident that the stream of liquidation of loan collateral had been checked by the assurance that arrangements had been made to take care of such undervalued assets. This in itself is a great stride toward a normal state of mind. It will not only tend to strengthen belief in the banking system as a whole, but it will enable the smaller banks to provide better accommodation for their customers and should even liberalize the attitude of the larger banks. . . . So many false starts have been made in the weary road leading to recovery of prosperity that deep-seated enthusiasm will be slow to take fire from the instant blaze caused by the news from Washington. But no one who understands how urgent has been the need of the sort of relief now afforded will be unduly sceptical of the promise held out by the action taken. At the least it is a rainbow amidst the storm. . . . A few days ago Thomas W. Lamont, veteran partner of J. P. Morgan & Company, deplored the unreasoning and fantastic depths of pessimism to which we had descended. There is reason now to hope that he spoke at the moment when we stood at the very bottom.

**G** ETTING BACK TO FIRST PRINCIPLES: Few practical business men will regret the appearance of signs that we are near the end of mere panacea talk. In the first confusion resulting from dissipation of our vision of perpetual prosperity the cry went up that something must be done about it. The Federal administration in the beginning responded with no great success. Various bodies with high-sounding titles made suggestions more or less futile. Individuals whose outgivings are generally listened to gave advice that nobody heeded. Then came the lament that leadership was dead in the land. We had expected some new Moses to take us out of the wilderness of adversity, and because no Moses came forth we were convinced that the great men of old had left no successors. . . . Meantime the urgent need of carrying on for ourselves kept most of us busy doing what must be done if we are to get along at all. This taught us a very old lesson, namely, that when for any reason our resources have been depleted the thing to do is to build them up again. How we squandered them in recent years some of us may know. The important thing at the moment, however, is to get them back. That

each of us must do for himself. . . . This does not mean forsaking combined effort in the common good; the more effective the part we take in promoting the general welfare, the more likely we are to labor for ourselves successfully. It means that hope for the future rises as individuals in increasing number apply themselves diligently to their own affairs and abandon the habit of searching for an oracle to point the way to business salvation. . . . Study of the past may eventually show us how to avoid another time the pitfalls into which we have tumbled. The way to get out of them is to climb out. Waiting for someone else to pull us back to the surface is not likely to do us much good.

**S** ALESMANSHIP IN THE VAN: It is a promising sign of the times that the chief executive officers of many corporations engaged in merchandising goods are now themselves taking over the job of sales management. In a few cases the motive may be ill-considered economy. More often it is a growing appreciation that the selling side of business is its most vital side. There was a time when anyone who could make out a reasonable sales quota and come somewhere near living up to it seemed qualified to run a sales force. Today the head of the house is proud to undertake the work, if he is competent. He has discovered that success depends to a very large extent on sales plans and their execution, and that nowhere else in his field of management is there more need of brains and the highest qualities of business craftsmanship. . . . If this trend meant only that the exigencies of the times were inspiring an increase of sales pressure there would be little reason for applause. What makes the rising importance of sales direction encouraging is the influence its magnified role is bound to have on production and business management generally. When the president of a corporation learns from personal experience the real problems of distribution he cannot long remain blind to the need of squaring output to public demand. . . . The best management of all is that which establishes and maintains perfect coordination among all the elements with which it has to deal. As long as manufacturing and jobbing and retailing were distinct functions such coordination was natural and comparatively simple. But now that all three functions are to some extent coalescing it is neither one nor the other, mainly because in the shuffle salesmanship has too long been kept apart and asked to perform miracles without essential backing up on the factory side and by general management. When salesmanship takes its rightful place as leader these shortcomings will not long survive.





## It Should Please Advertisers, Their Advertising Managers and Sales Managers—

to know that there is available now an Advertising Force which can be applied to developing sales in any community or section of the country desired, without assuming a burdensome expense.

This Advertising Force has been applied successfully by us for a quarter of a century because we know when, where and how to apply it.

At this time, with all advertisers facing the necessity of making every dollar they spend on advertising count in results, we recommend that they use

### Poster Advertising

Poster Advertising is a powerful force. The public cannot and does not wish to escape it. Its attractive appearance compels attention. Its illustrations, color effects, and its terse, factful presentation of the value of the products or services offered, make a strong appeal to the

public. What the people like especially about Posters is that they conform to good taste, which is always a vital factor in favorably influencing their minds.

There are two sizes of posters, both of which are acceptable to the public and are in general use by advertisers.

One is the big, powerful, dominating poster, known as the 24-sheet poster, which is displayed on Outdoor structures, especially built for it,—their dimensions being, including frame, 25 feet wide by 12 feet high.

The other, known as the 3-sheet poster, occupies a frame approximately 7½ feet high by 4 feet wide, which is hung on walls of corner buildings, like pictures in one's home, and is also placed on the sides of entrances to retail stores. Both are effective, but we ask you to consider using at this time

### 24-sheet Posters

First, keep in mind their attractive and dominating size—25 feet wide and 12 feet high.

Second, remember they can be displayed for 30 days in prominent locations covering any community or section desired, at a cost no greater, in most instances, than the cost of using one page one time in the leading newspaper there.

Reminder advertising — keeping alive the names of manufacturers and their products—is a vital necessity today. People must not be allowed to forget.

In our opinion, there is no better reminder advertising than the Poster. Its strength lies in its beauty and economy and compelling force.

Consider using a magnificent display advertisement every day for a month, which is the equivalent in size of 130 pages of the average standard size newspaper—in any community or section—where it can't possibly escape being seen and read by people who walk or ride—and at a cost no greater, in most instances, than that of one page one time in any community's leading newspaper or in any section's leading newspapers!

If you wish to apply this effective Advertising Force to your today's needs, you will profit by consulting with us.

## OUTDOOR ADVERTISING AGENCY OF AMERICA

INCORPORATED

### *Outdoor Advertising Only*

NEW YORK  
Graybar Bldg.

PITTSBURGH  
Bessemer Bldg.

CINCINNATI  
Chamber of Commerce

CHICAGO  
6 N. Michigan Ave.

# Government in Business

BY JAMES TRUE

*Director, Washington Bureau*

WASHINGTON, D. C., October 7.—The most important news from Washington this week, of course, is the bankers' conference with President Hoover. This has been treated in "Significant Trends" (page 49) and in an editorial on page 70. Rumors persist that some surprising announcements are soon coming out of Washington that will have a marked effect on the stock market and general business conditions. Government and other organizations are flooded with inquiries; but no foundation for rumors of the kind can be located. The administration is doing everything possible to encourage finance and industry to reorganize and get busy on a basis of present conditions, and it is the consensus of Washington newspaper men that confidence in the administration is rapidly reviving and that prospects for better business are improving.

Particular significance is attached to the statement today by Dr. W. R. Ingalls, economist and engineer of New York City. Dr. Ingalls, it will be remembered, has not been optimistic in his views, but now forecasts a sizable revival of business owing to an enormous net underproduction in basic lines.

It is felt here that the east is making a serious mistake in considering the stock market as its barometer of business. For under present conditions, with a large part of the speculating public as timid as a burned child, economists expect the market to follow, rather than to lead, a general business revival.

**The Metropolitan Areas Bulletin** will be published by the Bureau of the Census within about six weeks, it is hoped. Maps and data for ninety-five areas have been completed and practically all of the material is in the hands of the printer. Maps of metropolitan districts are included, with the central city or cities and townships, also incorporated areas within the district. In addition, for marketing purposes, the maps will show townships in the surrounding area. The accompanying figures will include total populations by sex, color, nativity, age and farm population. While these studies, in all instances, cannot be considered as marketing areas, they will be of considerable value in merchandising and the management of salesmen. Photographs of all areas are now available at twenty-five cents each, and should be ordered from the office of the Chief Geographer, Bureau of the Census, Washington, D. C.

**Special City Sales Days** are reported as having been especially successful in many parts of the country. Beginning with "Louisville Day" on July 10, Miami, Buffalo and many other cities developed the idea, and the Department of Commerce has learned that the selling campaigns have accomplished much in luring money into circulation. The success of the enterprise includes the cooperation of all interests. Railroads and street car lines make special rates, amusements are offered at half price, hotels offer inducements, and the newspapers publish special editions with a great deal of paid advertising.

**Fashions by Mail** are being developed by the mail-order companies. "Simpson's" of Canada is now publishing a fashion catalog every two months. Formerly this catalog was published twice a year. The new policy is said to increase fashion turnover, simplify buying, reduce expense and increase volume. One mail-order house in this country has changed its policy to put out a general catalog every six months, with a special style supplement published more frequently and sent only on request. Another house is publishing a monthly style magazine devoted almost entirely to women's apparel.

**Leadership in the Candy Industry** is becoming effective, according to a meeting of the "Founders Group" held last week. At this meeting thirty large manufacturers of confectionery goods donated \$20,000 to employ the best available merchandising man to plan a "go-ahead" program. This group is determined to establish the industry on a sound economic basis, and practically all agreed to subordinate their personal interest to the advancement of the industry as a whole. One of the main problems to be solved is cooperation with wholesale distributors, and probably the first work will be a determined effort to educate both wholesalers and manufacturers to a better understanding and a more effective relationship.

**Encouragement to the Farmer** comes from the Farm Board by way of its plan to arrange for deferred payments on wheat and cotton to enable a permanent and effective utilization of part of the surplus stocks for relief purposes. Undoubtedly, during the early days of the next session, Congress will take the proper steps to offer liberal terms to foreign countries in order to utilize surplus wheat and cotton for export. The most serious farm problem seems to be to control surplus production in the future. The two or three good years that the farmer must have to put him on his feet will depend upon the curtailment of production, and this is the problem to which the Farm Board is devoting much of its attention.

**Markets for Industrial Goods** are clearly outlined by three bulletins which are a part of a series of seven, prepared and issued by the industrial marketing section of the Department of Commerce. These studies are not official publications, but have been compiled for the purpose of answering the innumerable inquiries of manufacturers concerning the marketing of industrial materials. Bulletin No. 1 deals with the number of manufacturing establishments in the United States by counties. No. 2 is an analysis based on wage earners of the manufacturing establishments and No. 3 deals with the rated capacity of power equipment. Maps accompany these bulletins, and with their aid a manufacturer, regardless of his size, can quickly ascertain the best locations for district offices and warehouses, where to place his salesmen most profitably and that portion of his trade which can best be handled by mail. The series is one of the few ever published by the government in dealing with territorial merchandising factors, and the bulletins will be invaluable to any manufacturer who is merchandising industrial goods.



## What's Holding Back Prosperity?

(Continued from page 51)

by the common people. Note the poverty. Due to the World War, you say? But were conditions except in Germany appreciably better before the war? Is it temporary unemployment, or is it, mayhap, too low average income? That is the most vital problem of the civilized world. Even in America, which is looked upon by all Europeans as the one wealthy nation, we see the need, not only of continuous employment throughout the year, but of a stability that can only be produced by fuller appreciation of business economics and an adjustment of business machinery.

*Why has America been prosperous?*

Almost anywhere in Europe from the tiny shopkeeper to the larger business man one hears the comment: "Americans are rich." In comparison with all other countries this is true even today. It is our greatest problem to find out how to continue this prosperity.

But why is America more prosperous not only than Asia but than all the countries of Europe? In 1913, long before the great war, mind you, an article by an Englishman appeared in a conservative English journal on the cause of England's poverty. The conclusion, based on indisputable facts drawn from data of 1907 and 1909, was that the primary cause of poverty in Great Britain was low productivity. He gives a list of twenty-six principal industries. An average of value produced per wage-earner in America is found from his figures to be two and one-third times the value produced in the same industries in Great Britain.

To show the influence of technical developments and inventions on these averages he figures the relative horsepower used in each country per 1,000 workers.

Horsepower per 1,000 men in Great Britain, 518 H.P.

Horsepower per 1,000 men in United States, 2,080 H.P.

More recent figures are even more startling in comparison. Both Great Britain and the United States show a larger increase in total value produced per wage-earner, a part of which is due to decrease in value of the dollar. The ratio between the two countries rose from two and one-third in 1907-8 to three and one-half in 1926—the last figures available. In other words, America's productivity, expressed in value of total production per wage-earner, rose 50 per cent more than in Great Britain.

Data on earning power of various

countries compiled by the International Labor Bureau in 1930 and corrected by them for difference in purchasing power show vividly the height of pay in America in comparison with all European countries. The wage values in the United States, even after correcting for purchasing power, are more than double those in Great Britain, and yet wholesale prices of commodities in the two countries are not greatly different. (See chart on page 51.)

And one cannot but realize that perhaps a prime reason for this industrial inferiority of Great Britain is the lack of appreciation of the fact that high production per man makes for prosperity, while the "ca canny" policy of holding back to let the work go round is fatal to progress.

In all of these comparisons, relations of per man production and not total production are considered. It is evident that production per man rather than total production is a measure of prosperity. These must not be confused with each other. Increase in total production of rice in China beyond that needed to fill the demand, for example, would tend to increase further the hardships of the rice grower by reducing the value of his crop. On the other hand, if normal production is obtained, as is certainly possible, by, say, one-third of the Chinese rice-growers, through machinery or better methods, the rest of them can make other things which tend to raise them out of their dire poverty. In other words, three times the amount of goods will be produced by the same men in the same time. The cost of all the products not only will be less, but each man can earn more and can also buy more for each unit of his earnings.

The limit of such increase is reached only when, on the one hand, we have lost our power to invent improved machines and processes and methods or, on the other hand, we all are ready to sit down and say "we have enough."

It seems hardly possible that the American people—in fact any people on the face of the earth—have reached a stage where they can settle down and say: "We have enough." For this must mean not simply enough of food and clothing, it must include conveniences, luxuries, sports, social pleasures, art and all of the things that are woefully deficient for the rank and file.

(Part II will appear in next week's issue.)

## Mr. Space Buyer...

Please keep this in mind when selecting advertising media in Mississippi:

**A BOND BUYER** says Harrison County is in better financial condition than any county in Mississippi;

**A COUNTY FARM AGENT** says the farmers of Harrison County are in better shape than any other farmers in the State if not in the South, because they are raising something the year round and not depending on one crop like the cotton farmer. He said there were not 50 bales of cotton raised in Harrison County.

## THE DAILY HERALD

Herald Building  
Biloxi (Harrison County) Miss.

Herald Building  
Gulfport (Harrison County) Miss.

"AN ADDRESS OF DISTINCTION"



### Special Advantages for "Big Game" Visitors

FANS visiting Chicago for the big football games will find THE DRAKE location unusually convenient. All playing fields are easily reached. After the game . . . there's gaiety . . . or quiet . . . as you prefer. A smart Supper Dance . . . the rhythmic tunes of a famed Orchestra. No rate advance. Rooms begin at \$4 per day.

**THE DRAKE**  
HOTEL, CHICAGO  
*Under Blackstone Management*



## 475 Companies Tell How They Are Adjusting Salesmen's Compensation

(Continued from page 57)

reporting the details of sales plans which have been breaking sales and profits records during the past few months, and a goodly portion of them are based on the philosophy Mr. Hooker sets forth. With Mr. Hooker, SALES MANAGEMENT believes that the time when competition is resting on its oars waiting for things to pick up represents the golden opportunity for obtaining a solid foothold in both old and new markets. It seems obvious, but thousands of chances for accomplishing just this object are being overlooked in every line of business today.

The sales director of a wallboard concern is one among many sales executives who have enlarged the size of territories, in connection with a revised compensation arrangement. In March of this year this company established a commission in addition to salary and expenses. Upon attainment of quota this flat commission is doubled on subsequent volume, and a bonus of a lump sum is paid simultaneously, thus offering a doubly attractive incentive to the men to build volume. Upon establishing this plan a few salaries were reduced, most of them about 10 per cent.

During the year this concern reduced its field force approximately 25 per cent. On September 1 further adjustments were made in salaries of about 35 per cent of the men in the field, the reduction amounting to about 10 per cent. No changes were made in quotas or commission rates, but territories were enlarged.

Since the establishment of the present basis there has been a distinctly improved tone in the attitude of the salesmen towards the company, the management says.

The William Carter Company, of Needham Heights, Massachusetts, has combined some of its territories, having weeded out the weak sisters among the salesmen. Otherwise no changes have been made.

"We have always paid our men on a base rate, plus a commission over a set quota, plus expenses," reports A. M. Stewart, sales manager. "During the last two years all of our men have suffered, of course, by loss of commissions. In some instances some of the men have not distributed sufficient merchandise to cover their base rate.

"With these men a study of their territory revealed that it would be more economical for us to combine some

territories, not only for the present, but also for the future, inasmuch as many small towns which have proved profitable to cultivate are now, due to changes in buying centers, not so profitable for us to call upon.

"This combining of territories has, of course, forced us to drop a few salesmen, but the men we have dropped have been men who, after fair trial, have proved to us that we could function more satisfactorily without their services. We keep on file by months a rating sheet by dollars and by percentages of every salesman's work, and this rating sheet has considerable value to us. It shows which men are making the greatest increases and which are making the poorest showings. Most of our work is usually concentrated on the men showing the least increase. The salesmen we have dropped have been the ones who have shown the greatest drop in sales consistent with other factors in their particular sales areas."

The Chemical Paper Manufacturing Company and the Goodyear Rubber Company are other concerns that have not changed compensation plans, but have increased the territories of salesmen.

The only report of reduction of the size of territories under present conditions comes from an eastern wallboard manufacturer. Here is his comment: "For a number of years we have operated our sales force on a straight salary basis, with a liberal expense account. We have been carrying this organization for years, and rarely is there a change of personnel.

"I believe, however, that the time has arrived for a radical change in the method of compensation. We probably have been too lenient. Based on the old John Smith theory, 'he who will not work shall not eat,' we propose to place our entire force on a straight commission basis January 1. July 1 we launched this plan in our southern field and our experience thus far has been five-sixths justified, inasmuch as five out of the six men are in the black and apparently quite satisfied. This new method will necessitate the cutting down of territories and will practically double our sales force. Customers will be called on frequently and new accounts off the beaten path brought into the fold.

"I realize that the problem of finding a successful basis of compensation

at the present time is a rather complex one, particularly with an organization that for years has done very little experimenting in the various methods of paying salesmen, especially so when the company as a whole has been making money."

(Next week's article will cover profit-sharing arrangements, drawing accounts, salesmen's expenses and other topics.—THE EDITORS.)

### "Best Package of 1931" to Receive Silver Cup

NEW YORK—The "best package developed and put on the market during 1931" will be awarded a silver cup, known as the Irwin D. Wolf trophy, at a Packaging, Packing and Shipping Conference, Clinic and Exposition, to be held at the Palmer House, Chicago, March 7-12, under the auspices of the American Management Association. Mr. Wolf, secretary of the Kaufmann Department Stores, Inc., and vice-president of the consumer marketing division of the association, is general chairman of the Chicago meeting. The judges will be: Alon Bement, director, Art Centre, New York; Dr. Charles R. Richards, executive vice-president, Museum of Science and Industry of New York; Dr. John A. Stevenson, vice-president, Penn Mutual Life Insurance Company; Dr. Paul H. Nyström, professor of marketing, Columbia University, and Richard Bach, director of industrial relations, Metropolitan Museum of Art, New York. Entries close February 15. A brief statement regarding each will be required.

### Sales Letters

(Continued from page 46)

as any time-taking effort necessary to glean data pertinent to the matter in hand. Most sales, credit, collection, adjustment and complaint letters *do* require such research, or reference to the files, if they are to be completely and intelligently answered. If the letters are really routine, they may be handled by forms, and require no dictation. Of course it is possible to rattle off some sort of an answer, without having a complete picture of the prospect; but I would far rather employ a correspondent who takes as long as necessary to *study* a letter, before making any attempt to dictate a response, even though his daily production might suffer as a result.

I have never read "Uncle Tom's Cabin," having been born and reared in a territory where Mrs. Stowe's philosophy is not notably popular, but I have heard something of the tactics of Mr. Simon Legree, as reported in the public prints. And I rather gather that the gentleman who has interrogated me has in mind emulating the principles of Mr. Legree, in a nice, refined way. Unless I miss my guess, he plans to put his correspondents on some sort of a time-clock basis—which Heaven forbid! I know of no more certain way to insure a perpetuation of mediocrity in our mail messages.

## G. E. Men Reach 250 Per Cent of Quota in Special Drive

(Continued from page 55)

E. Supply houses were given the rank of lieutenant, with those in higher authority given correspondingly higher army titles.

In accordance with the plan of action, every man had an opportunity to earn a substantial sum of "iron men" as his sales progressed. A further incentive was offered in the form of a bonus to be given to the highest ranking colonel in his corps. To stimulate competition, each of the branch houses vied for cash prizes offered to the houses attaining the highest percentage realizations of quotas.

"War" was officially declared by J. L. Buchanan, president of the G. E. Supply Corporation, in the first issue of *Barrage*, a sales bulletin published bi-weekly throughout the campaign. In this issue, dated May 20, President Buchanan, who was made Commander-in-Chief, said, in part:

"We are going to war so that our future high position in lamp distribution may be assured. I commend the action to you and have full confidence that its outcome will be eminently successful.

"The proven law of survival of the fittest is very much in evidence at the present time.

"The lamp business is no exception. If we are to survive in this line, and all others, we must go out and fight for new customers, to compensate for those who may fall by the wayside for various reasons.

"And that is what we are going to do. Not with clubs, or swords or guns, but with friendship, enthusiasm and high-class service."

In setting \$400,000 in new business as the objective of the campaign, H. B. Tompkins, sales manager, who was appointed Secretary of War, called upon his men to mobilize and advance to the battle front promptly on June 1, armed to the teeth with determination and sales ability, equipping themselves meanwhile with a careful study of the best methods for securing new lamp business that had been prepared by the Nela Park sales promotion department of General Electric at Cleveland. This material had been time-proven in securing new business.

"Colonel" A. C. Prange, sales promotion manager, "Colonel" R. G. Worsley, manager of indoor lighting sales, and "Lieutenant-Colonel" S. O. Githens, assistant sales promotion manager,

all of the G. E. Supply Corporation, completed Commander-in-Chief Buchanan's headquarters staff.

Sure-fire ammunition was provided in the form of agency solicitation and consumer solicitation portfolios, containing forceful and easily presented sales stories on the advantages of the Edison Mazda lamp franchise, and effective sales arguments as to why a user of light should have an "E" contract for Edison Mazda lamps (such a contract gives a quantity purchaser a substantial discount on his yearly lamp purchases, such discounts varying with the size of the contract). In addition, an array of promotional material to be used by the men on the firing line was supplied, together with sales ideas calculated to help the field men to take full advantage of any sales opportunity.

Each issue of *Barrage* carried a progress map of the "offensive" and showed how the field divisions were faring in reaching their objectives. Obstacles in terrain and enemy concentrations were shown in true military fashion.

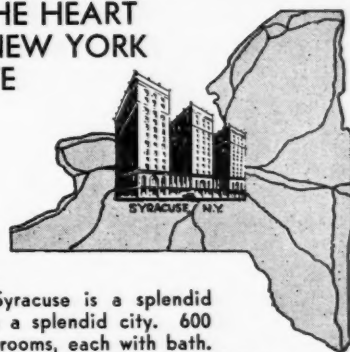
Throughout the progress of the campaign, the Nela Park liaison men of the Edison Lamp Works coordinated with the field staff of the G. E. Supply Corporation in overcoming obstacles represented by contracts that were proving particularly difficult barriers. It was this coordination throughout the entire organization, which left no loopholes for slip-ups anywhere along the line, that proved the true value of the "war" set-up.

An interesting feature of *Barrage* was the humorous column conducted by "Aunty Bellum," *nom de guerre* assumed for the purpose by F. F. Schuhle, of the Nela Park sales promotion department. The witticisms of "Aunty" helped greatly to keep everyone in true fighting form.

At the conclusion of the campaign, *Barrage* announced, with the screaming red headline "Victory," the results of the campaign and showed the final standings of all participants.

Reports showed that the \$400,000 objective had been reached far beyond the highest expectations of the headquarters staff. The more than a million dollars' worth of new lamp business, consisting of signed contracts, each of which will remain in force for at least a year, has every likelihood of being increased in ensuing years. As

IN THE HEART  
OF NEW YORK  
STATE



Hotel Syracuse is a splendid hotel in a splendid city. 600 outside rooms, each with bath. \$3.00 up. Powers Hotel, Rochester, N. Y., under same management.

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Now Ready!

Population Studies

of Principal Markets and Their  
Tributary Areas

In quantities of ten or more,  
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SALES MANAGEMENT

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1872 to 1931

Interesting, Informative

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PHOTOGRAPHS



Mr. Buchanan expresses it: "This eminently successful activity should encourage us to go forward with renewed vigor to establishing our new contacts as permanent links in the distribution of General Electric merchandise."

Since the vast majority of new outlets hold good possibilities of increasing their contract bases, it is anticipated by the G. E. Supply Corporation's officials that the benefits of the campaign just ended will continue to accrue long after the "war" activity has become a memory in new business drives.

#### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of SALES MANAGEMENT, published weekly at New York, N. Y., for October 1, 1931.  
STATE OF NEW YORK, } ss.:  
COUNTY OF NEW YORK }

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared Raymond Bill, who, having been duly sworn according to law, deposes and says that he is the Editor of SALES MANAGEMENT and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor and business managers are:

Publisher, SALES MANAGEMENT, INC., 420 Lexington Avenue, New York, N. Y.

Editor, Raymond Bill, 420 Lexington Avenue, New York, N. Y.

Managing Editor, A. R. Hahn, 420 Lexington Avenue, New York, N. Y.

Business Manager, Philip Salisbury, 420 Lexington Avenue, New York, N. Y.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.)  
SALES MANAGEMENT, INC., Federated Business Publications, Inc., Edward Lyman Bill, Inc., Bill, Brown & Bill Publishing Corp., Caroline L. Bill, Raymond Bill, Edward Lyman Bill, Randolph Brown and J. B. Spillane, all located at 420 Lexington Avenue, New York, N. Y.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are:

The Dartnell Corporation, 4660 Ravenswood Avenue, Chicago, Ill.; H. G. Trine, R. A. Trine, T. D. Reid, J. H. Frohlich, P. R. Means and M. B. Aspley, all of Chicago, Ill.; M. D. Aspley, J. C. Aspley and J. T. Kemp, all of Glencoe, Ill.; E. H. Shanks, Evanston, Ill.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

RAYMOND BILL,  
Editor.

Sworn to and subscribed before me this 17th day of September, 1931.

(Seal)

W.M. A. LOW.

Notary Public N. Y. County No. 753. Reg. No. 3 L 487.

Commission expires March 30, 1933.  
Certificate filed in Queens Co. No. 1126.

## How to Hold Profit Clinics

(Continued from page 54)

normal, a business is in a "healthy" condition. If there are wide variations from normal, not only is it possible to diagnose the business as "sick," but the reasons for the illness can be pointed out, and the proper remedies developed and prescribed.

A profit clinic can do a real work in this field by setting ranges, within which the ratios should fall, then noting the variations from these ranges as ratios are calculated.

Here is a partial list of ratios:

Net business profit to tangible assets.

Surplus profit to tangible net worth.

Net business profit to fixed charges.

Retained profit to net business profit.

Sales to tangible assets.

Sales to fixed assets.

Sales to inventory.

Sales to receivables.

Tangible net worth to tangible assets.

Tangible net worth to capitalization.

Tangible net worth to current liabilities and funded debt.

Value common stock to value preferred stock.

Liquid assets to current liabilities.\*

Current assets to current liabilities.

Fixed assets to funded debt.

\*Current assets less inventories.

Inventory to total assets.

Surplus to total assets.

Fixed assets to total assets.

The list can be added to or taken from, depending upon the conditions with reference to a given business.

The next installment will deal with "sales factors in profit assurance."

### A Correction

SOUTH BEND—A. L. Frank, vice-president and general manager of Studebaker Pierce-Arrow Export Corporation, corrects the statement that the Hudson Motor Car Company was the first American automobile manufacturer to introduce free wheeling in the British market. (SM September 26.) "The first American cars with free wheeling as standard or optional equipment were Studebakers, cleared from New York for London in July, 1930," Mr. Frank pointed out.

### Joins New England Council

BOSTON—Rufus C. Maddux, for a number of years business research executive with the Vacuum Oil Company and the Pan-American Petroleum & Transport Company, has joined the New England Council as secretary of community and recreational development.

## Personal Service and Supplies

Classified Rates: 50c a line of seven words; minimum \$3.00. No display  
Cash Basis Only. Remittance Must Accompany Order

### SALES PROMOTION

\$50 to \$50,000 DAILY SALES SECURED FROM our clients. This distributor took on a new specialty, retailing at \$60. His first purchase \$12. We submitted a sales program capable of national expansion. Within four years his sales were nationwide, running to \$100,000 monthly. 35 years salesmanship-in-print experience back of our campaigns. Submit sales problems for free diagnosis. 10 years Sales Promotion Manager, Larkin Co James C. Johnson, 119 Woodbridge Ave., Buffalo N. Y.

### POSITION WANTED

A SALES MANAGER WHO CAN MEET TODAY'S conditions is available now. This man has shown an unusual all-around ability. He can successfully—lay out complete plans for the functioning of a sales department; develop plans for securing new dealer accounts and increased activity from old accounts; prepare and conduct sales conventions and dealers' sales schools; supervise sales correspondence and advertising; dovetail the activities of the field sales force with other divisions of sales management. This man has an unusual background of general business experience, and some of his work has received considerable attention. He is considered a very effective speaker or writer to either groups or individuals, and does not object to working in the field, either with the men or alone. Although still in his early thirties, he has a total of sixteen years of sales and sales management experience. In excellent health, with a very quick and adaptable mind. Free to go to

any section of the country. A personal interview can be arranged at your convenience. Address Box 321, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### SALES EXECUTIVE WANTED

AGGRESSIVE, ACCURATE AND COMPETENT in handling details wanted by office appliance manufacturing concern marketing its products through selling agencies. Applicant must have record of successful work in sales promotion and production, capable of balancing resourcefulness with judgment, prepared to be intensely active in field and office. Compensation will keep pace with performance. Character, health and habits must be sound. Write only if you meet beyond question all these requirements. Correspondence confidential. Address "M," Box 322, SALES MANAGEMENT, 420 Lexington Avenue, New York, N. Y.

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between \$2,500 and \$25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-one years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

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